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NATIONAL INDUSTRIAL CONFERENCE BOARD, INC.

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REGULAR FEATURES

Management Record is prepared by

Division of Personnel Administration: S. Avery Raube, Director; Harold Stieglitz, Assistant Director; James J. Bambrick Jr., Albert A. Blum, F. Beatrice Brower, Marie P. Dorbandt, Elaine Feinstein, Harland Fox, Stephen Habbe, Nelson R. Jantzen, Nicholas L. A. Martucci, Mitchell Meyer, George V. Moser, John O'Brien, Pauline Reece, Geneva Seybold, Doris M. Thompson, N. Beatrice Worthy.

Division of Consumer Economics: Frank Gaston, Director; Theodore R. Gates, Leonard R. Burgess, Zoe Campbell, John E. Denes, Harry S. Denning, Phoebe F. Gellen, Helen B. Junz, Seymour Schwimmer, Olive E. Vaughan, Herbert Weinberger.

Editorial Staff: Aileen Kyte, Barbara Zacharias. **Charts:** Paulette le Corre Lydon, Madeleine Briskin, Rosanne W. Reilly, Lorena Warne, James W. Whittaker, Margaret Whittaker.

Management Record

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• In the Record •

Financing Group Insurance Programs

Nobody is likely to be very surprised to learn that the trend in financing group insurance programs is for the employer to pay a larger percentage of the premium than he did a few years ago. And in some cases, that larger percentage is the full amount, according to THE CONFERENCE BOARD'S survey of 187 companies whose insurance programs were also studied in 1949. In fact, this is the outstanding change—the swing to noncontributory plans.

Also of interest, and pointing in the same general direction, are the new coverages found in the current survey. Major medical insurance is provided by thirty-nine companies today where none had this coverage in 1949. The other "new" insurance is the extension of basic medical plans to retired employees.

This over-all picture of financing group insurance programs in 1956—as compared with the same companies' financing in 1949—starts on the next page.

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The Shorter Workweek

"The major collective bargaining objective of the United Automobile Workers in 1958 will be a shorter workweek with increased take-home pay," according to a story in *The New York Times* of Sunday, April 7. And as Mr. Reuther, president of the UAW, has often been a pacesetter in the past, the drive for shorter hours calls for especially careful watching in the months ahead.

A good background for evaluating events to come can be found in the round table, "The Shorter Workweek," starting on page 122. Here, both union and management spokesmen examine what a shorter workweek really means: Is it a bid for more premium pay for overtime hours? Or is it a desire for more leisure? What has been the actual experience of companies that reduced hours in the past? And will productivity go up if hours are reduced? These are a few of the questions that are examined from both sides of the fence in this round table discussion.

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The Use of Bargaining Books in Negotiations

Twenty or thirty years ago, collective bargaining was relatively simple. The workers wanted more money and fewer hours and the company wanted to keep costs down. Today, in a way, this is still true. But now the contract not only covers wages and hours but all types of fringe benefits. And it also provides the rules for many aspects of worker conduct and labor-management relations.

This of course puts a heavy burden on the negotiators. They must come to the bargaining table prepared to deal with any question or demand that might arise. Therefore, in order to make sure that their negotiators will have adequate information and background, many companies set up bargaining books. These books range from simple listings of union demands and company counterdemands to elaborate tomes that include the complete history of each contract clause.

How these bargaining books are used and how they are set up are discussed in the article, "The Use of Bargaining Books in Negotiations," starting on page 118.

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The IUD Clearing House

In some industries, it seems that unions spend as much time and energy fighting each other as negotiating with management. Overlapping jurisdictions, conflicting aims, and plain misunderstanding cause much of the trouble. When the AFL and CIO merged, one of their main goals was to end this squabbling and achieve better coordination among unions.

In line with this, the AFL-CIO formed the Industrial Union Department. It includes all the former CIO unions as well as many AFL groups. One of its functions is to act as a clearing house through which its affiliates can work together. The IUD has set up several types of committees that bring unions in related industries together to explore common problems and gather information. Three types of committees have been set up: industry group committees, technical committees and joint committees.

"Labor Press Highlights," starting on page 134, discusses these committees and what each hopes to accomplish.

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What's Happened to Transportation Prices

The regular article on consumer prices features a special section this month on the local public transportation index. This, in simpler language, is what it costs to ride on city subways, buses and trolleys.

It's no news that this index has gone up in the period covered—1953 to January, 1957. But when and where this has happened in the forty surveyed cities, which cover the whole of the United States, makes a story. The range is from no increase (in five cities) to a high of 39.5% in Roanoke, Virginia. But that in itself is a little misleading unless one also takes into account the actual level of fares in the base period. For example, in 1953 fares in Los Angeles were higher than fares in Roanoke; and in spite of a much smaller increase in L.A., fares in that city still remain above Roanoke's fares today.

For the full price picture, see "Another Increase in Consumer Prices." It starts on page 139.

Financing Group Insurance Programs

This current survey of the insurance programs of 187 companies that were originally studied in 1949 underscores the trend toward noncontributory plans

IN THE MIDDLE of 1949, just as the first union drive for welfare benefits began to gather momentum, The Conference Board made a detailed study of the group insurance programs of 261 companies.[1] In the first quarter of 1956, these companies were contacted again, with the result that current group insurance plans of 187 companies were obtained for analysis.[2] The first half of this article summarizes the changes that have taken place in the financing of group insurance in these 187 companies during the seven years that negotiated welfare plans have attained prominence.[3]

To round out the picture, these 187 companies were asked recently to provide two other pieces of information about financing group insurance. The first question was: what do companies do with "dividends" or "retrospective rate adjustments," as they are sometimes called? Are they used to reduce the company's expenses? Or are they turned over, in one form or another, to the employees; or are they shared by both? The second question involved what percentage of the premium (after dividends) the company pays in those plans that are jointly financed by contributions from the company and the workers.

An analysis of the replies of 143 companies to these two questions makes up the second half of this article.

GENERAL CHANGES IN FINANCING

It should be noted that the majority of companies finance all coverages (within their own companies) in the same way. For example, in 56% (eighty) of the 143 companies recently contacted, all plans are either noncontributory or all are contributory. And where the plans are contributory, the company pays the same per cent of the total premium for every benefit provided. Similarly, for any particular benefit, companies tend to pay the same per cent of premium for all employees, even though the level of benefits may differ from one group to another. Only twenty-five companies have any type of coverage for which they pay a smaller share of the premium for one group of employees than for some other group.

The most notable change in financing group insurance in the 187 companies studied is the shift toward noncontributory plans. Roughly 30% to 40% of current plans of any type are noncontributory, compared with 20% to 25% of the 1949 plans. However, the size of this shift varies according to the type of coverage involved. The biggest shift toward noncontributory plans has been in the benefits for nonoccupational disability—that is, the insured medical plans, the Blue Cross plans and the insured disability pay plans. The increase in noncontributory plans is less noticeable among life insurance and accidental death and dismemberment plans. (See Table 1). Furthermore, the increase of noncontributory plans among the life and accidental death and dismemberment plans and among the insured disability pay plans is accounted for primarily by the increased proportion of flat-sum plans that are noncontributory. Only a slight shift toward noncontributory plans can be detected among the salary-graduated plans for these three coverages.

Because the changes in financing vary for each coverage, financing is described for each benefit separately.

Table 1: Extent of Noncontributory Group Insurance, 1949 and 1956

Type of Group Insurance	1949 Total Plans	1949 % Noncontributory	1956 Total Plans	1956 % Noncontributory
Life insurance	203	24%	251	31%
Accidental death & dismemberment	92	26	145	36
Life insurance: retired	92	64	117	82
Disability income insurance	159	25	184	41
Basic medical benefits				
Insured	104	21	143	41
Blue Cross	65	18	61	34
Major medical ...	*	*	39	10
Basic medical: retired				
Insured	*	*	30	53
Blue Cross	*	*	61	12[a]

* Data not available.

[a] Assumes that the twenty-three plans for which data are not available are contributory.

[1] "Company Group Insurance Plans," *Studies in Personnel Policy*, No. 112.

[2] Except for ten public utilities, all 187 companies are manufacturers. Eighty-six per cent are unionized, and 80% have headquarters east of Chicago and north of the Mason-Dixon line. Eighteen per cent employ less than 500 people, and 10% more than 20,000. However, nearly one-quarter employ 1,000 to 3,000 workers.

[3] Analysis of all changes in the programs of these companies will be published soon as "Trends in Company Group Insurance," *Studies in Personnel Policy*, No. 159.

Basic Medical Plans

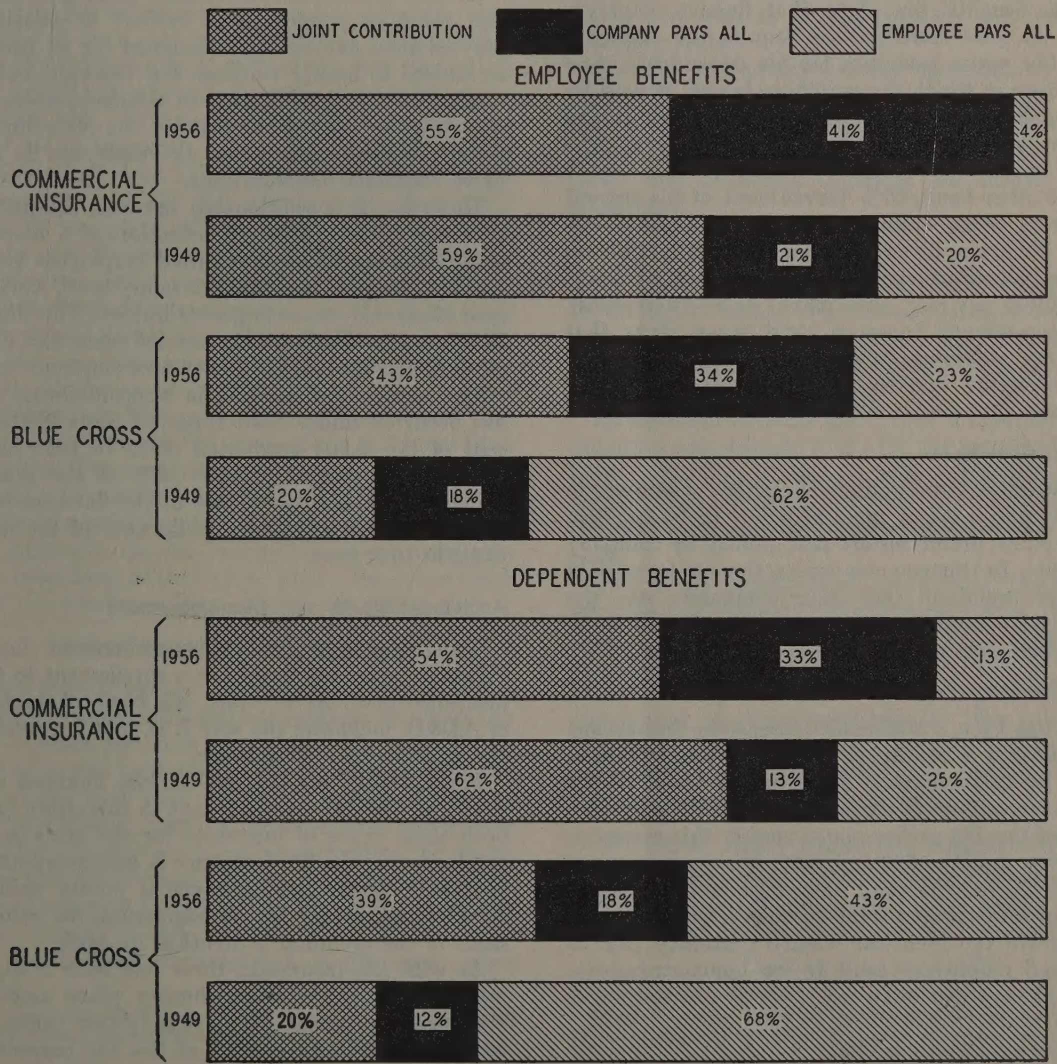
Among the companies surveyed, the most extensive changes in financing group insurance have occurred in plans that provide the basic hospital-surgical-medical benefits. The general trend has been for more companies to help pay for medical insurance protection. This trend is reflected not only in the increased proportion of plans that are paid for entirely by the company, but also in the decreased proportion that are paid for entirely by the worker. (See the chart.)

These two changes are particularly noticeable in the case of medical benefits provided by commercial group insurance. Although the per cent of plans paid for by joint employer-employee contributions is about the same for 1949 and 1956, noncontributory plans have jumped from 21% of the 104 earlier plans to 41% of the 143 current plans. And the per cent of plans paid for entirely by the worker has dropped from 20% in 1949 to only 4% in 1956.[1] Much the same process has taken place in the financing of dependents' benefits under commercial group insurance.

The pattern of change in financing Blue Cross plans is somewhat different than that of commercial insurance, primarily because so many of the earlier Blue Cross plans were paid for entirely by the worker. In 1949, for example, of the sixty-five Blue Cross plans analyzed, in only 38% did the company make any

[1] Generally all employees in the company are covered by the same plan. In 1956, for example, only twenty-four plans are limited to salaried employees and only ten are limited to hourly paid workers.

Who Pays for Medical Benefits



contribution whatsoever toward the premium. But in 77% of the sixty-one current Blue Cross plans, the company makes some contribution, with 34% of the plans financed entirely by the company. This last figure compares with only 18% of the 1949 plans.

The relatively high proportion of plans paid for entirely by the employee is, of course, the most obvious difference between financing of Blue Cross plans and financing of group insurance plans—both in 1949 and now. This difference is particularly noticeable for dependents' benefits.

The other major difference between financing Blue Cross and commercial group insurance is that dependents' benefits more often are financed differently than employee benefits under Blue Cross than under commercial insurance.

Only 12% (seventeen) of the current insurance plans finance dependents' benefits differently from employee benefits. Six plans that finance employee benefits by joint contributions require the employee to pay the entire premium for his dependents. And eleven plans in which the employee benefit is paid by the company require the employee to pay all (seven plans) or part (four plans) of the dependents' premium.

On the other hand, 28% (seventeen) of the current Blue Cross plans finance dependents' benefits differently than employee benefits. Ten plans with no employee contributions for employee benefits make the employee pay part (five plans) or all (five plans) of the dependents' coverage. And seven plans that require the employee to pay only part of his own coverage require him to pay all of his dependents' premium.

Major Medical Plans

In 1956, 20% (thirty-nine) of the 187 companies in the study had a major medical plan.[1] In twenty-two of these plans, premiums are paid jointly by company and worker. In thirteen companies, the employee pays the entire premium. Only four companies pay the entire cost of the major medical plan; and in three of these, dependents are not included in the plan.

Insured Disability Pay

There has been a noticeable increase in the proportion of insured disability pay plans that are financed entirely by the company. Forty-one per cent of the 184 current plans are noncontributory, while only one-quarter of the 159 earlier plans were in this category.

However, in both 1949 and 1956, it is more common for flat-sum benefits than salary-graduated benefits to be paid for entirely by the company. That is, plans that provide the identical weekly disability pay to all covered employees tend to be noncontributory. Plans that vary disability pay according to the worker's salary tend to be contributory. This difference in the way the two types of benefits are financed persists whether the plan covers everyone in the company, hourly workers only, or just salaried employees.

But the increase in noncontributory financing has occurred under both types of plans. In 1949, 38% of the flat-benefit plans were noncontributory; today 57% of these plans are noncontributory. In 1949, only 20% of the salary-graduated plans were paid for by the company; currently, 29% are.

Life Insurance

As already indicated, there has been only a slight shift toward noncontributory life insurance plans in the companies studied. In 1949, 24% of the 203 plans were noncontributory; currently 31% of the 251 plans do not require employee contributions.

In both years, noncontributory plans are somewhat less common among those limited to salaried employees than among those designed for all employees or limited to hourly workers. For example, only 22% of the current plans limited to salaried employees are noncontributory but one-third of the plans limited to hourly workers or covering all employees do not require employee contributions.

However, this relationship between financing and coverage of the plan is a reflection of a more basic factor. Plans limited to salaried employees generally graduate benefits according to salary level. And graduated plans seldom are noncontributory. This difference between the financing of graduated plans and flat-sum plans holds regardless of the type of employee covered.

But, again, the increase in noncontributory plans has occurred under both types of plans. Sixteen per cent of the salary-graduated plans in 1956 are noncontributory compared with 12% of the graduated plans in 1949. Similarly, 52% of the flat-sum plans in 1956 are noncontributory, while 41% of the flat-sum plans in 1949 were.

Accidental Death and Dismemberment

Accidental death and dismemberment insurance (AD&D) generally is sold as a supplement to the life insurance plan. As a result, the basic characteristics of AD&D, including the way it is paid for, tend to be the same as for life insurance.

For example, life and AD&D are financed exactly the same way in every company in this study that has both these types of insurance for the same group of employees. If the life insurance is noncontributory, so is AD&D. If the life insurance is jointly paid, so is AD&D; and, except for six companies, the company's share of the premium is identical for both.

As with life insurance, there has been a slight increase in AD&D noncontributory plans since 1949. Twenty-six per cent of the ninety-two earlier plans were noncontributory; 36% of the 145 current plans

[1] None had major medical in 1949.

are. There has been no increase in noncontributory salary-graduated plans; in both years 12% of these plans were paid for entirely by the company. But 53% of the current flat-sum plans are noncontributory compared with 42% of the earlier plans of this type.

Insurance for Retired Employees

Fifty-five per cent of the companies studied extend group life insurance to their retired employees. Fifty-three per cent did so in 1949. If an employee is eligible for group life insurance after retirement, he generally gets this protection at no cost to himself. Only 18% of the 117 current plans call for employee contributions after retirement. In contrast, 36% of the ninety-two older plans required employee contributions. However, in both years, whether the employee contributes depends to a large extent on whether benefits are cut upon retirement. In 1956 only 11% of the plans that reduce benefits at retirement require employee contributions, in 1949 only 19% fell in this category. But 56% of the 1956 plans and 59% of the 1949 plans that do cut benefits at retirement require contributions.

In 1956, 16% (thirty) of the companies used commercial group insurance to provide medical benefits for retired employees. In sixteen of these thirty plans the company pays the full premium for the retired worker. In ten plans, the company and the worker share the cost. In the other three plans, the pensioner must pay the entire premium.[1]

In 1956, fifty-seven companies covered all or some of their employees by Blue Cross. In these companies the retired employee automatically has hospital benefits if he continues to pay the Blue Cross premium after retirement. The company pays the entire premium after retirement for seven of the sixty-one Blue Cross plans. The company and worker share the cost in another five plans. And in twenty-six plans, the retired employee must pay his entire premium on Blue Cross. Although specific information is not available on the remaining twenty-three plans, the probability is that the company pays none of the premium.[2]

HOW DIVIDENDS ARE USED

In any form of group insurance there is always the possibility that the actuarial assumptions on which the yearly advance premium is computed may turn out to be wrong in the light of the actual experience of the group during that year. Therefore, at the end of the year, the advance premium must be adjusted. Either part of the advance premium is returned to the group or extra charges are made by the insurance company.

Money returned to a group because of favorable experience usually is called a "dividend." However, to avoid the financial connotations of the term, some underwriters call it a "retrospective rate adjustment" or an "experience adjustment" or a "claims bonus."

The ways in which companies generally use the dividends or premium adjustments are illustrated below by the responses of the 147 companies which provided data last month. Data are shown separately for contributory and noncontributory plans. But in practically all noncontributory and in two-thirds of the contributory plans, any premium adjustments returned are used to cut the company's costs.

Noncontributory Plans

Sixty of the sixty-eight companies reporting on noncontributory plans use dividends solely for reducing company costs. The other eight companies use dividends, wholly or in part, for the benefit of the employee as follows: five companies increase the plan's benefits with any dividends received, and two use part of the dividends to increase benefits and part to cut company costs.

The other company returns dividends to the employees in cash—because of the nature of its bargaining contract. In this company the group plan is bargained as a cents-per-hour contribution by the company; any dividends therefore are turned over to employees.

Contributory Plans

As with noncontributory plans, most companies use all dividends from a contributory plan to reduce the company's share of the premium. Sixty-five of the 104 companies reporting on contributory plans use dividends solely for this purpose.[1]

At the other extreme are sixteen companies that use premium adjustments solely for the benefit of the employee. Nine companies pass along all dividends to the employee as increased benefits; five companies waive contributions; and two companies distribute them in cash.

The other twenty-three companies reporting on contributory plans split the dividends with employees. That is, part is used by the company to reduce its costs and part is passed along to the employee as a waiver of contributions (ten companies) or as cash (eight companies) or as increased benefits (five companies). Nineteen companies indicate that dividends are split according to the per cent of gross premium paid by the company and worker respectively.

HOW JOINT PREMIUMS ARE SHARED

The 147 companies that provided information on the way in which dividends are integrated into the financing of group insurance also reported on the

(Continued on page 146)

[1] No information is available on one current plan nor on financing of the few insured plans in existence in 1949.

[2] Data not available for 1949.

[1] Four companies make the point that dividends would be given to the employee if the adjustment is greater than the amount paid by the company initially.

The Use of Bargaining Books in Negotiations

This orderly approach to bargaining, with the data gathered and collated in advance, has been found useful by many companies

MANY PEOPLE still have the impression that collective bargaining is exclusively a table-thumping, hammer-and-tongs slug-fest. According to this view, management's preparation for bargaining consists largely of rehearsing different ways to say no.

Actually, however, many companies today spend a considerable amount of time marshalling factual information prior to the beginning of negotiations. Instead of merely preparing to say no, these company executives try to anticipate union demands, estimate their costs, and weigh the pros and cons of each possible demand carefully. When this is done, they can determine the course of action they expect to follow, and perhaps even develop counterdemands of their own as to revising the collective bargaining agreement.[1]

To back up their arguments, company negotiators assemble a great mass of information. Wage and fringe benefit surveys, and significant settlements in the area or the industry provide part of the source data. Analysis of the internal problems that have arisen during the term of the contract also provide strong bases for possible contract changes.

As an aid to bargaining, many companies bring together all or part of the information they have gathered in what is known as a bargaining book. Executives in ninety-seven of 213 companies queried by The Conference Board state that they use such bargaining books during collective bargaining. The format of these books varies from a simple listing of union demands and company counterdemands in a loose-leaf notebook to elaborate tomes that include the historical development of each contract provision, many types of cost data and comparative statistics, and detailed outlines of the company's position. Example A shows the table of contents for one of the more detailed and elaborate bargaining books.

Rather than use bargaining books, executives of twenty-seven of the 213 companies set up special files which they break down into the various subject matters covered by the contract. During the course of the contract term they put material into the file folders similar to that contained in bargaining books. Then when negotiations start, the company spokesmen bring with them the folders for the particular subject to be discussed that day.

Almost without exception, company executives using bargaining books or file systems believe that they derive many advantages from them. They feel that their use aids them before negotiations, during negotiations, and after negotiations.

ADVANTAGES BEFORE NEGOTIATIONS

Company executives say that before negotiations, a bargaining book or file aids them in adding to their knowledge of the contract's problem areas. It helps crystalize their own thinking in terms of anticipated union demands, and it enables them to formulate a course of action, and get clearance on it from the company's top executives before negotiations begin.

For the majority of company executives, the preparation of bargaining books or files is a year-round job. A midwestern company's vice-president sums up their approach: "We prepare for next year's bargaining the day after we sign our contract." A West Coast executive says that for him the chief advantage of year-round preparation is that "there is no last-minute scrambling trying to recall specific instances of difficulties; instead, careful, on-the-spot summaries of the difficulties we had with specific contract clauses are in the bargaining book in black and white."

ADVANTAGES DURING NEGOTIATIONS

The value of using bargaining books or files becomes most obvious during negotiations, according to management negotiators. They cite the following advantages:

- Makes for more orderly, better organized bargaining.
- Puts bargaining on a more factual and less emotional basis.
- Makes for a more positive approach to bargaining.
- Saves time because reference material is readily available.
- If management and union negotiators jointly use bargaining books, they are better able to stick to the subject discussed and to know the status of negotiations at any time.
- Increases the management team's confidence.

[1] For a description of how companies secure the help of their supervisors in developing counterdemands, see "Role of Foremen in Collective Bargaining," *Management Record*, January, 1957, p. 2.

More Orderly Bargaining

Those who use bargaining books or file systems claim that their very nature makes for more organized bargaining. They say that the thorough analysis of contract sections and the cross-referencing of related sections enables them to concentrate on one item at a time. And they know they will not overlook a related item since it, too, is in the bargaining book or file ready to be dealt with at the proper time.

The related advantage of allowing the negotiators to temporarily put aside a problem that has not been resolved satisfactorily and come back to it later is cited by a northwestern company's executive. He says:

> "Sometimes in negotiations we find ourselves engaged in heated argument with the union negotiators on some relatively minor point. When this happens we jointly agree to drop the item temporarily and note in our bargaining books the progress of negotiations up to that point. When we have made progress in our other negotiations, and are in a calmer mood, we then return to the item."

A vice-president of a multiplant firm says that the use of bargaining books or files forces his company's negotiators to prepare their bargaining data in advance. And he adds: "If no data were prepared in advance, it is hard to see how any headway could be made in negotiations."

Where companies do their bargaining away from company premises, they report that the use of bargaining books or files is particularly helpful. The negotiators have all the data they need with them. It is not "back at the office."

Keeps Bargaining Factual

When factual material is available in a ready reference source it keeps bargaining from slipping into a "we just don't want to" attitude, according to management negotiators. They say that using a bargaining book or file enables them to give specific reasons for their acceptance or rejection of the union's proposals. Thus a southwestern firm's executive states: "We have in the bargaining book the cost figures for every dollar-and-cents demand the union can make. Instead of just saying the union's demand for a specific item is 'too expensive,' we add up the costs and show the union negotiators just how much it will cost. Of course, if the union's proposal is reasonable, our bargaining book's cost figures show that, too, and we're in a position to readily accept."

This willingness to be specific has a good effect on the union committee, say several experienced negotiators. An East Coast manufacturer states:

> "The union tends to accept statements as to costs, knowing that we refer to specific figures, whereas the union tends to discount broad statements. We gain by being factual, and, to a degree, documentary. The bargaining book aids us in being consistent in our arguments and prevents, to a degree, the union committee's attempts to change meaning and intent."

A More Positive Approach to Bargaining

The use of bargaining books or files engenders a more positive approach to bargaining, claim a number of executives. For example, a midwestern executive says the careful preparation for negotiations necessitated in assembling a bargaining book "shows the union that the company has put much time and thought into the subject and is not merely adopting a completely negative point of view. It shows that management has been thinking in positive, constructive terms and proves to the union committee management's desire to improve the relationship."

Better Able to Stick to Subject

Some management negotiators believe that when they are armed with a bargaining book it is easier to keep track of the discussions on a particular item.

Example A: Table of Contents from a Large Company's Bargaining Book Covering Normal Workday and Workweek

Article VII, Section 2

I: Plan of Negotiation
- A. Present clause
- B. Companies experience under this clause
  - 1. Difficulties
  - 2. Advantages
- C. Suggestions received from management (including foremen and supervisors)
- D. Proposed action
  - 1. Desired goal
  - 2. Proposed clauses
    - a. First choice and reasons
    - b. Second choice and reasons
    - c. Third choice and reasons
    - d. Fourth choice and reasons
- E. Possible union reaction
- F. Possible union proposals
- G. Sales plan
  - 1. Explanations why
  - 2. Examples why

II: Exhibits
- A. Problems submitted by affected departments
- B. Unemployment laws in eight states—summary
- C. Net turnover by plants

III: Other Agreements
- A. Company agreements in other locations
- B. Agreements by other companies in industry

IV: Union Proposal

V: Negotiation Progress
- A. Draft 1
- B. Draft 2
- C. Draft 3
- D. Draft 4
- E. Draft 5
- F. Final draft

Example B: Bargaining Book Containing Proposed Contract Changes

Present Clause	Proposed Change	Proposed Clause
I. War Emergency Promotion — The seniority of an employee who has been promoted to a supervisory position because of the war emergency and who has been displaced by a returning veteran shall be placed back on his last seniority list and shall receive all his past seniority together with accrued seniority for the time he was a supervisor.	14. Eliminate section I of article VIII. This is a World War II provision which no longer has any application, and has not had any use for several years. The remaining sections of this article will then have to be re-lettered to follow alphabetical order.	
ARTICLE 21. Employees — Recognition of the Union — Etc. — The employer herewith recognizes the union as the sole collective bargaining agent and representative of all production and maintenance employees at the (location) plant of the (company), including overlookers and truck drivers and helpers, but excluding all office and clerical employees, part-time employees, plant guards, timekeepers and the time checkers, nurses, follow-up men, music system employees, technicians and laboratory employees, and all supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees, or effectively recommend such action.	21. Eliminate the night watchmen from the bargaining unit. This will permit incorporating the watchmen with the guards and gatemen into one plant protection group so that we can take full advantage of the time of all of these men.	No change in the wording of the contract is necessary. We will merely have to notify the union that after the expiration of the existing contract we will no longer recognize the union as bargaining agent for the night watchmen and will discontinue deducting dues from their wages. The National Labor Relations Board has ruled many times that watchmen are guards and therefore the union representing the production employees cannot be certified to represent the watchmen under the Taft-Hartley Act.

Example C: Bargaining Book Containing Reasons for Desired Changes

Present Clause	Change Desired	Reasons for Change
Union representatives		*Section 4 (a)*—Justification for not paying union representatives.
4. The sections 4 to 11 inclusive, outline the sole duties, responsibilities, and limitations of the stewards and committeemen in performing their functions as recognized union representatives. This group constitutes all of the recognized union representatives for purposes of this article.		*Examples of Abuses:* (1) Committeeman filed 7 grievances. Instead of using carbon paper the 3 copies of the 7 grievances were written separately (21 separately prepared sheets).
(a) Time spent away from their regular jobs by these union representatives during working hours, in the performance of these functions in the plant, will be paid for by the company.	. . . will *not* be paid for by the company.	(2) A committeeman and a steward investigating a classification grievance spent a total of 78.1 hours. They failed to appeal the grievance to step two on time so it was considered settled on the basis of first step answer. The grievance was filed again and the same two spent a total of 27.5 hours in investigation. A total of 105.6 hours was spent by the two union representatives on this matter. The grievance was granted at step three but the union was criticized for investigation time.
(b) The union representatives listed above shall be active employees with not less than three months' seniority with the company.	shall be active employees *who have acquired seniority status with the company in accordance with article V, section 2, entitled Seniority.*	(3) One union representative acting as both steward and committeeman spent 22.1 hours investigating a grievance on the demotion of a leadman. This leadman had stolen food from an outside vendor. This same union representative reported the situation to the company and requested we take action. The leadman was disciplined and demoted. The grievance protesting the demotion followed.
(c) Recognized union representatives will be given permission to leave their places of work during working hours in the manner provided in this article in order to perform the duties set forth herein. It is recognized and agreed that when not so engaged, these representatives have production work to perform. Each of the parties hereto will cooperate with the other in keeping to a minimum the time spent away from said work in investigating, presenting and adjusting grievances.		(4) A steward and a committeeman spent a total of 38 hours investigating a grievance protesting the transfer of a leadman into department B. The transfer was in effect a promotion for the leadman because he was moved in over a higher labor grade than he had been leading before.

And, several companies state that they distribute parts of the bargaining book (usually without notations as to company justifications for its actions) to members of the union committee, so that both sides can start discussions from a uniform taking-off place.

Many bargaining books include space for noting down clauses as they are tentatively or finally agreed upon. This makes it easier to determine at a glance just how much progress has been made in negotiating a complete contract. Then, too, maintains one company spokesman, the negotiators can obtain a better perspective on the kind of job they are doing, since the old contract can be more easily compared with the proposed revisions.

Increases Management Team's Confidence

Information gained during the process of setting up a bargaining book, and the knowledge that many useful data are at hand, negotiators say, helps to increase the assurance of the management team. They feel they are better prepared to answer union arguments and questions and to substantiate the company's position. In addition, they report that use of bargaining books or files enables the management team to share the bargaining load so that it is not as likely to fall solely on the senior members of the team. And drawing up a well-prepared bargaining book, industrial relations executives feel, insures advance clearance of possible courses of action from top company officials. The approved alternative courses of action are generally indicated in the bargaining book with code symbols.

Negotiators say that knowing that they have authority to act within specified limits gives them confidence. Moreover, they say their status increases when they do not have to preface each tentative agreement with, "We will have to get approval on this first."

ADVANTAGES AFTER NEGOTIATIONS

A number of personnel executives believe that one of the principal postnegotiation advantages of using a bargaining book is that it expedites the final draft of the new contract. As negotiators agree upon each item, they note the final wording in the bargaining book. Then when negotiators make up the final draft all they have to do is pull together all these agreed upon clauses.

Several companies say that bargaining books are of value as a permanent record of negotiations. As such, they show the intent of the parties in wording a section in a particular way. This is especially true of those bargaining books that include summaries made up of questions and answers, as well as clarifying statements made by the two parties during negotiations. One or two companies specifically mention that these summaries and explanatory statements are helpful in clarifying the intent of certain clauses—not only to the union members, but also to the foremen and supervisors who are directly responsible for administering the agreement.

DISADVANTAGES

A half dozen companies see no advantage in the use of bargaining books. These companies question the value of the books compared with the time, effort and money expended on their preparation. One industrial relations executive explains that his company had used a bargaining book but discontinued it when the entire contract was rewritten. Another company spokesman considers a bargaining book a mere "device" and nothing more. He says:

> "A bargaining book, in my opinion, gives the union negotiation committee the impression that all the company arguments are manufactured and are ersatz, and makes the presentation too formal, when it should be casual and not overdone."

WHAT'S IN A BARGAINING BOOK

Examination of a number of bargaining books submitted to The Conference Board indicates definite patterns in the organization of their contents.

Practically all bargaining books or files consist of at least two items: the contract's present clause or article and the company's recommendation concerning it. Example B shows one of the simpler types of bargaining books. Here, the union's demands for contract changes have not been anticipated and are not yet known. Therefore the bargaining book consists of the present clause, the changes which the company proposes to seek, the reasons for these changes, and, finally, the company's proposed wording for a new clause. Note that in the case of clause number 21, no changes in the wording of the contract are required but there will be a change in practice. Therefore remarks about the clause have been included so that the company negotiators will not overlook it during the negotiating sessions.

Example C shows the old contract, with the additions and deletions that the company desires indicated directly to the right. To the far right are found the company's reasons for desiring the changes. In this instance, the book shows specific examples of abuses of the present clause, which require the company to pay union representatives for time spent on grievance handling.

Anticipating Union Demands

Some companies endeavor to anticipate union demands in fairly definite form, with the result that their bargaining books may be set up in the manner outlined in Example D (on page 144). Labor relations executives who prepare bargaining books of this type usually include even those sections of the contract where

(Continued on page 143)

The Shorter Workweek

A summary of the speeches and discussion at a Round Table, held at The Conference Board's 373rd Meeting, are presented here.

Round Table participants were:

- Charles D. Stewart (chairman), Deputy Assistant Secretary for Standards and Statistics, Department of Labor
- Herbert R. Northrop, Vice-President, Penn-Texas Corporation
- George W. Brooks, Director of Research and Education, International Brotherhood of Pulp, Sulphite and Paper Mill Workers, AFL-CIO
- William Gomberg, Professor of Industrial Engineering, Washington University
- Donald G. Robbins, Formerly Personnel Director, Haynes Lithograph Company.

CHAIRMAN STEWART: The reduction in working hours and in annual input of work per worker represents one of the significant cultural developments of this century.

It has been made possible by technological improvements and economic development. It represents a choice on the part of all of us between leisure and income. And, of course, it provides an opportunity for maneuvering in collective bargaining.

When we speak of shorter hours, we may mean scheduled or actual daily or weekly hours of work, or we may refer to annual input per worker per year, distributed in various ways. Each speaker, I think, will have to indicate his own frame of reference.

Ordinarily, we think of shorter hours in terms of hours of work for men and full-time workers, rather than for women and part-time workers. However, the development of part-time work has had a significant effect on the average hours of work.

We could also think of changes in the lifetime total of work. It is not certain, however, whether the lifetime total of work has been reduced significantly this century. Because as the average life expectancy has increased, men have tended to split the gains from shorter hours: they enjoy longer retirement, but they also increase the number of years they remain in the work force. And the matter is much more complex with respect to women.

The subject of shorter hours is fascinating and speculative. It is full of anomalies and curiosities. Many of the people who talk most about leisure pursue it the least. Workers who seek shorter hours also may vie for overtime work.

The belief in its inevitability derives from (1) a utopianism growing out of our surprise at the scientific and technological developments as they relate to productivity in economic life, and (2) from lack of confidence in our ability to sustain full employment at existing hours of work.

Because of increased productivity in the economy over the past half century we have gained more real income and more leisure. Our concept of what is a reasonable standard of living is very flexible. It forces the level of spending, for most of us, very close to, if not beyond, our personal budgets. More leisure will represent some continued foregoing of real income. But the real enjoyment and utilization of leisure will require more income.

There are, of course, important considerations of overhead costs, particularly in connection with the efficient utilization of expensive capital equipment. Shorter hours may, for this reason, raise unit labor costs—aside from any bargaining for higher wage rates. Scheduling hours of work during the week or over the course of the year will depend upon many practical considerations, technological factors in particular industries, and the collective bargaining and labor supply situation in the industry. Therefore, work schedules will no doubt differ a great deal among industries.

What limited experience we have had with shortened workweeks may provide some insight into these questions, as well as the over-all question of leisure versus income.

Do We Want More Leisure?

by Herbert R. Northrup

WE CAN have a shorter workweek. It is feasible. We have the brains and the ingenuity to work out any operating problems it involves. We can do it *if we so desire and if we are willing to pay the price.*

But that is not the real issue. The basic problem is one of choice. Do we want our gains from increased productivity in the form of leisure or greater income? In other words, how do the American people want to

divide up their economic cake between purchasing power and time off?

By first looking at the economics of the shorter workweek, and then by examining how workers have reacted to workweek changes, we should be able to find indications of preferences for or against leisure as opposed to higher income.

In looking at the economics of the shorter workweek, the data indicate, without much question, that reductions in hours below forty, even below forty-eight, do not increase productivity to a discernible degree in the economy as a whole. Wartime experience and studies demonstrated that the eight-hour day and the forty-eight hour week were pretty near the optimum from the point of view of production. So if there is a case for a reduction in hours below our present forty-per-week standard, the grounds for that reduction are not efficiency and higher productivity.

Likewise, health is not a factor. Unions agree on this. Judging by what we Americans do to ourselves on the highways and beaches over extra-long weekends, it would be better to keep us at work longer hours if health were the criterion.

Some advocates of the shorter workweek maintain that it is essential to prevent unemployment. In the literature of organized labor, the shorter workweek is a traditionally advocated method of alleviating unemployment.

There are two ways in which hours of work per day or per week can be reduced. Each has different effects as a remedy for unemployment. First, hours can be reduced without a change in the basic wage rate. This, in effect, reduces earnings. Or, hours can be shortened with compensatory increases in basic rates so that total earnings are not cut.

Regarding the first possibility, obviously jobs can be provided for the unemployed if employed workers are willing to reduce their hours and sacrifice part of their pay. But such a plan would involve a general reduction in the standard of living of all employed workers. As a long-run proposition, this is unacceptable to labor.

In some industries during a depression, however, share-the-work plans have been inaugurated. The danger of such a policy is that if the unemployment is caused by a permanent decrease in the demand for labor in a particular industry, a share-the-work policy attaches an unduly large supply of labor to the industry, and it converts the union into an instrument for reducing the standard of living of its members.

It should be noted that where there are no compensatory wage adjustments, the earnings of those formerly employed full time will be reduced. This can well result in a decline in the demand for goods and, therefore, in a further decline in employment unless the newly employed workers greatly expand their purchases over what they had consumed while collecting unemployment compensation or while they were on relief.

On the whole, a program of shorter hours is unacceptable to labor unless it takes the form of the second alternative—that is, shorter hours accompanied by compensatory wage adjustments to maintain labor's income. Advocates of such a policy for reducing unemployment have emphasized the role of demand conditions, of purchasing power, and ignored the more immediate repercussions on labor costs and business profits.

Where profit margins are relatively small, management is very sensitive to cost increases of any kind. And there is no doubt that a decrease in the workweek without a corresponding diminution in earnings of the workers will result in substantial wage increases and require tremendous adjustments in many companies. Whether management could absorb the greater cost, or whether the consumer would be willing to pay higher prices to absorb these costs depends, of course, upon many factors.

The effect on employment also depends upon many factors. If labor is plentiful, the creation of, for instance, two six-hour shifts to replace one eight-hour shift could result in a scarcity of skilled labor. If the output of a company when it worked one eight-hour shift was sufficient to meet the demand for the product, two six-hour shifts could mean that there would not be enough work to keep all the employees busy on a full-time basis. It would also tend to attach to an industry a larger labor supply than required.

But there are circumstances in which the addition of another shift will increase employment. The substitution of two six-hour shifts for a previous eight-hour day will tend to reduce capital costs per unit by allowing management to work capital longer. And the resulting decrease in total unit costs will tend to offset the increase in unit labor costs, so that on balance profits may be unimpaired.

The ability to inaugurate an additional shift will vary considerably from industry to industry. The importance of overhead costs within a specified industry is one major factor. In some plants where equipment is antiquated, working additional shifts may cause increasingly frequent breakdowns without adequate time for repairs. In industries which do not operate continuously, the amount of increased employment which could be provided by a shortening of working hours will depend in part upon the availability of unused machinery and equipment. To the extent that less efficient equipment is brought into use, the upward pressure on costs is intensified.

Hence, as far as immediate prices and output are concerned, the change in the number of shifts will have a varied effect. Some plants will be forced out of business, while in other plants where labor costs are relatively low in proportion to overhead costs, profits will be increased by the changeover to additional shifts. Ultimately, the number of plants in the industry will diminish, with a larger volume of business concentrated in a smaller number of firms, each using capital more intensively than was true before the shorter-hours program was inaugurated.

A program of shorter hours with undiminished take-home pay would produce important changes in the demand for products of particular industries. More leisure would probably bring about an increased demand for sporting goods and other recreational goods. Likewise, increased wage disbursements would stimulate the consumer goods industries. However, at the same time, the nondurable consumer goods industries would experience the greatest increases in cost relative to the rest of the economy, since they have higher ratios of wages to value added than do the capital goods industries. Thus, insofar as the effect on costs is concerned, nondurable goods industries would be hardest hit by the combination of shorter hours and increased wage rates, while the capital goods industries, having a higher ratio of capital costs, would benefit most from the addition of extra shifts.

This combination of altered cost and demand positions would ultimately produce some readjustment in the distribution of the total labor force among the various industries in the economy. The net effect upon employment can only be conjectural. But if wage disbursements increase initially as a result of the shorter hours of work, a larger proportion of the national income probably would be spent on nondurable consumer goods than before the shorter hours program was instituted. Therefore, except to the extent that the demand for additional labor-saving equipment increases, total investment in the economy could well decline and adversely affect employment instead of spreading the work.

Economic theorizing aside, let's look at the record. Unfortunately, up to now few companies have gone from a standard forty or forty-eight hour week to a shorter workweek. But some cases do exist. Two notable examples are the workweeks of the Kellogg Company of Battle Creek, Michigan, and the rubber industry of Akron, Ohio. In both cases, these were depression palliatives which have remained intact long after the patient could have been cured if the remedy were only stopped.

At the Kellogg Company, four six-hour shifts were substituted for three eight-hour ones as of December 1, 1930. The six-day week was maintained. The Kellogg Company claimed that worker efficiency was improved as a result of: (1) reduced fatigue, (2) less tendency to succumb to monotony, (3) less time wasted and (4) elimination of meal periods and the customary slower working rate before and after them.

Before inaugurating the changes, the management engaged in lengthy discussions with its employees to completely orient them to the new plan. This allayed workers' fears and suspicions and helped make possible a smooth transition to the new schedules. At the same time, jobs and workers were carefully evaluated to be certain the right man had the right job, and base wage rates were increased by 12.5% to 33.5%. The wage adjustment did not compensate fully for the loss of two hours' work per day but it provided employees with the same purchasing power they had enjoyed in 1928, or prior to the time when the depression set in. This move by the company at a time when other firms were initiating layoffs and wage cuts no doubt provided a boost to morale and added to the incentive for raising production.

The six-hour day still covers 80% of the employees at the Battle Creek plant of the Kellogg Company. The remaining 20% as well as the company's other plants are on an eight-hour day, forty-hour week.

As a depression palliative, the six-hour day proved beneficial to workers and the company. But after a time, weaknesses became evident. Since the company's plants operate around the clock and its operations are largely machine paced, the short shifts provide little opportunity to reduce overhead costs. Furthermore, in order to avoid Saturday and Sunday work, hours are generally held to thirty a week during a substantial part of the year. This has meant that employees receive lower pay than do workers in similar industries. If a forty-hour schedule were introduced, even at lower hourly rates, the take-home pay would be increased, but the work force would have to be cut. To date, a majority of the employees apparently prefer the six-hour day since they have consistently rejected suggestions for a return to the longer schedules prevailing in other firms in the industry.

The rubber-tire industry in the Akron, Ohio, area also converted to the four-shift, six-hour day from the three-shift, eight-hour day in 1930. And this industry also kept a six-day week.

The reactions of the rubber companies to the six-hour day has been varied. From the start, some of the larger companies expressed disappointment at the results. But their attempts to go back to an eight-hour day were successfully opposed by the then newly formed United Rubber Workers' union. On the other hand some companies reported hourly productivity increases of from 5% to 12% after the six-hour day was inaugurated. But in these cases new equipment

and methods were frequently introduced at the same time as the six-hour day. So it is not possible to determine to what extent increased productivity resulted from increased labor efficiency, and to what extent it resulted from other factors—such as new machinery or improved managerial organization.

During World War II, the rubber industry returned to an eight-hour day, six-day week, but at the termination of hostilities the six-hour day, six-day week was resumed in the Akron area, as well as in one plant in Detroit and a few plants in Los Angeles. The rest of the industry, which never had adopted the six-hour day, remained on an eight-hour schedule. In addition, one rubber plant in Los Angeles, which was on the six-hour day prior to the war, decided by a vote of the local Rubber Workers' union to maintain the wartime eight-hour schedule. Rubber plants which have remained on the six-hour day, thirty-six hour week generally do not pay time and one-half until after eight hours per day or forty hours per week.

One company official of a firm with approximately half of its employees on the six-hour day stated:

> "As to efficiency and productivity, when we first initiated the six-hour day, we expected an improvement in man-hour production. Although we didn't keep accurate records, I do know that results were disappointing. We cannot now find any evidence of increased man-hour efficiency as the result of a six-hour versus eight-hour day. On the other hand, when we went from six to eight hours during the early stages of the war, we noticed no drop in man-hour efficiency, and again when we returned to six hours there was no noticeable increase in efficiency.
>
> "The only advantage that we can get from the six-hour day is that so long as we keep our overtime provisions on an eight-hour per day, forty-hour per week basis, we can operate our Akron plants six days per week without any overtime. From a competitive standpoint among our own plants, this is not as valuable as it might seem because wage rates are much higher in Akron than they are in our outlying plants, with no greater man-hour efficiency and in some cases less efficiency."

Another result of the six-hour day in Akron has been the tendency of workers to take extra jobs to supplement their incomes. Some work as taxicab drivers, others work an additional shift in another rubber factory, etc. To the extent that such multiple employment exists, the six-hour day can have no beneficial effects on efficiency or employment unless there is an extreme shortage of labor.

So important has outside employment become in the Akron rubber industry, and so detrimental has been this practice, that the leaders of the United Rubber Workers made a determined attempt at the 1956 convention to eliminate the six-hour day and go back to the forty-hour week. They were defeated because the Akron workers did not want to give up the extra income which they gained from holding two jobs, even though they worked many hours over forty per week. It would appear that in Akron at least the shorter workweek has resulted in less work spreading and longer hours than the forty-hour week in the same industry elsewhere.

Actually, what has happened in Akron is typical of general experience with penalty overtime provisions after forty hours. The big issue in collective bargaining today insofar as hours of work are concerned does not result from workers' demands for shorter hours. Rather, the controversies are generated over questions of sharing available penalty overtime. At a time when real wages are the highest in history, the average employee still competes for overtime work instead of accepting the benefits of leisure.

Both economic analysis and practical experience, therefore, seem to emphasize that the shorter workweek is primarily a depression palliative which does not achieve its purpose but does somewhat equalize misery and good fortune.

Certainly there is no free hitchhike to more leisure. Like everything else, leisure has its costs. And every experience since the inauguration of the forty-hour week points to the fact that, by and large, when given a choice, more income is preferred over more leisure.

Why a Shorter Workweek

by George W. Brooks

WHY a shorter workweek? The obvious answer is why not? Instead let's rephrase the question and ask: Why might workers want shorter hours instead of more pay? Or even more specifically: Why will unions continue to ask for shorter contractual hours? This last, I assume, is the actual question to which management people want the answer.

I shall avoid any general discussion as to whether more leisure, as a whole, is what workers want in preference to higher income and confine myself to the specific question of reductions in weekly hours.

The unions are in a dilemma on this subject, or to be exact, a couple of dilemmas. On the one hand, our best opportunities to secure reductions in hours occur during good times. Then the employer is prepared to contemplate increases in his labor bill if not in his total labor costs. But these are the times when people don't normally want to work fewer hours.

If the time ever comes when they are willing to work fewer hours, it will occur when business is slack and when the union's bargaining position is weak. In other words, this situation arises at the very time

when we privately hope that the employer will not reduce income in some way—if not by reducing the rate, then by taking away some concessions that we have squeezed from him at a propitious moment.

The other part of the dilemma is that we have very little control over actual hours worked. Of course, there are unions which, to some extent, have succeeded in controlling the actual hours. But by and large, and particularly in manufacturing industries, the unions neither seek nor expect to have any significant control over actual hours worked.

Our only recourse is to negotiate a contract which exacts a premium from the employer who starts work at a certain time and schedules work after a certain number of hours per day.

But with expanding technological improvements, the penalty aspects of overtime can become negative. In many cases it may actually pay an employer to work a man overtime rather than have another employee come in. As an example, in the southern board industry, total labor costs of operating a mill are probably not more than 6% or 6.5% of the selling price. Direct labor costs—those that would be affected by the payment of overtime penalties—are probably not more than 4% or 4.5%.

On the other hand, the costs of training, recruiting and administering a larger work force in such circumstances may be much more than the cost of working a little overtime. Thus, the original intent of the overtime penalty is largely gone. In general, employers engaged in mass production manufacturing have systematically embraced the possibility of working overtime instead of trying to conform to any set hourly schedule.

Before going into how unions deal with this dilemma, let me fill in the historical background of the unions' drive for a reduction in hours.

There have been three distinct sets of motivations leading unions to seek reduced hours. In the early part of the nineteenth century, the compelling motive was the desire for more rest. I deliberately avoid the use of the word "leisure." It seems to me this is not an applicable concept when you are talking about men who were working from sunup to sundown, or fourteen to eighteen hours a day, and who wanted to work only eleven or twelve hours a day. To these people, I am sure the concept of leisure was not dominant. They just didn't want to work so many hours.

This desire continued as the compelling motive well into the twentieth century. But today it has gone. It has been a long time since I met a man who thought it was inhuman to work eight hours a day. He is more likely to tell us it is inhuman to give those extra overtime hours to some other fellow with less seniority.

A second motivation for the drive toward shorter hours exists in certain craft unions which regard weekly hours as a part of their over-all plan for job control.

The third viewpoint is that over a period of time the total number of hours worked should be reduced as a means of dealing with unemployment. At first this concept took an extreme form. It was represented, for example, in the debates about the Black thirty-hour bill in 1930. The contention of its proponents was that if you had 10 million unemployed out of a work force of 40 million, reducing the hours from forty to thirty for all employees by legislative fiat would automatically pick up the 10 million unemployed, put them all back to work, and everybody would be happy. I haven't seen anybody in the labor movement in recent years who holds so crude a view.

Yet, there still is substantial sentiment in the labor movement for a steady reduction of hours. The theory behind this sentiment is that growing technological improvements mean it will take increasingly fewer hours to accomplish the work. In other words, many union leaders believe that the trade union movement is not confronted with a choice between leisure and higher income, but is in fact going to be forced to insist upon shorter hours in order to keep up with technological change.

This viewpoint, expressed by Mr. Meany at the AFL-CIO shorter-hours conference, reflects the opinion of a very large part of the labor movement. As stated by Mr. Meany:

> "It is quite obvious that if automation is going to displace human labor to the extent indicated . . . there are two things that must happen to keep this economy going: one is that hours of work must be shorter, and the other is that purchasing power must be maintained."

Regardless of what you think of the economic soundness of that statement, it is interesting that Mr. Meany has taken a position that doesn't advocate shorter hours because they are a virtue, or because they are desirable in themselves; he argues for shorter hours because we have got to have them. In other words, he believes the inevitable direction of the economy is such that shorter hours must be secured in order to keep our economy stable.

Let me return now to the unions' dilemma: we can get shorter hours in good times when we don't need them; we can't get them in bad times when we do need them; and, in fact, we have no control over the number of hours worked.

In the light of this situation, the philosophy which guides unions today is that for the time being we will seek shorter hours—shorter weekly contractual hours —because they will increase the take-home pay. If there were no other justification for the shorter-hour demand, this is enough. All employees like the idea of increasing their take-home pay. And writing a thirty-

six hour workweek into the contract and providing for overtime after thirty-six hours will not affect the actual hours worked but will affect take-home pay.

The unions are glad to embrace so popular a cause, and more pay is always popular with the employees. But curiously enough, it is the employer who really makes this attitude possible. It is easier to get an overtime premium in the contract than it is to get an increase in rates of pay. In times as good as these and with the current tax laws, employers feel they can easily embrace higher take-home pay now. Then when things get slack, the cost reductions possible from cutting overtime will be greater than would be possible if hourly rates had been increased.

Of all the things our paper unions have asked for in recent years from paper companies, the easiest to get are overtime premiums, premiums for reporting time and call-in time, and the like. Companies even help us at the bargaining table in gaining this objective. If our negotiator is inarticulate or inadequate in his presentation, the personnel officer, who owes his job to the union and wants to help the man, often will supply the rationalization. He will recount the pain of being called out of bed in the middle of the night and things of that kind, drawing a picture that we wouldn't dare to draw because we know it isn't true.

The effect of this, I repeat, is to raise take-home pay. This brings sneers from the professionals who say: "These fellows don't want shorter hours; they just want more pay."

I acknowledged this before the AFL-CIO conference on shorter hours by saying that for every grievance we had now from a man who felt he was working too long we had a hundred from people who thought they weren't working long enough. They weren't getting enough overtime pay.

But as I stated before, increased take-home pay isn't the whole reason for asking for a shorter workweek. A shorter contractual workweek provides for automatic work sharing down to a lower point. We had a great many unhappy experiences with excessive work sharing during the early depression and after. In mills on the West Coast during 1938-1939, for example, we voluntarily went down to a twenty-four hour week. But those people who remember that experience feel they are not going to go down again as low as twenty-four hours a week.

This isn't the way to deal with the problem of unemployment. There are less costly ways from the union's point of view, the company's point of view, and the social point of view. We are prepared to say in a contract now that if work gets slack we will automatically share it down to forty hours or thirty-six or thirty-two or whatever contractual hours we write in.

Remember, and I want to repeat this, we don't have any control over the actual hours worked. We neither can fix minimum hours that we will work, nor can we fix maximum hours. We never have effectively asserted the right to say we will work this many hours and no more. We can only say that this is what we think is the right workweek, but you can call us in for more or fewer hours entirely within your own discretion.

When we write a thirty-six-hour contractual workweek into the contract, we are saying that we will automatically share down to thirty-six hours. This is a very important point to a union. There is no underestimating the significance of work sharing and overtime problems within the union.

We do expect that the shorter workweek will become standard in time. This involves all kinds of long-range projections, all of which may be wholly hypothetical. It depends on a whole set of circumstances over which we have little or no control. But whether we believe it or not, in bargaining we act upon the assumption that economic conditions next year, and the year after, and the year after that are going to be about the same as today. This is a kind of systematic myth we maintain jointly with management. The only danger is that good times have lasted so long that people will lose sight of the fact that it really is a myth.

We assume that this bargaining for shorter hours will in fact establish a new norm, so that after we have had a period of slack work and we have automatically gone down to thirty-six or thirty-two hours a week we will not go back again to forty. We will arrive at a permanent new level. That is the basic assumption.

I want to reiterate that we are not making the choice which the economists attribute to us. We will not go to the bargaining table and say: "We had a big meeting last week and decided we want more leisure instead of more pay, or more pay instead of more leisure." The union does not have the capacity or even the desire to make that kind of decision.

The widely accepted viewpoint in the labor movement is that together with greater improvements in our technology we are going to get both higher income and shorter hours. This is what we think. This belief can be criticized on the ground that it perhaps indicates too naive a faith in the capitalistic or free enterprise system. But when you talk about what the unions believe, you have to start with the assumption that they do have this complete and naive faith in the American capitalist or free enterprise system. They do believe that it will be possible to get both higher income and shorter hours.

Unions also recognize, quite frankly, that they will have very little control over these changes. The most

we can do is sort of declare our intentions so that at the time when we are forced through no choice of our own to work shorter hours, we will be in agreement with management on the point at which the hours will be shared. At that time, the consumer price index will probably be down anyway so it will be less painful than now to go to actual shorter hours. But now, while our bargaining position is strong, is the time to anticipate this situation and to write it into the contract.

It is these practical considerations rather than some generalized notion about leisure versus income that motivate the unions.

Is a Shorter Workweek Feasible?

by William Gomberg

ARE shorter hours feasible for our economy? Any answer to this question will depend upon who replies and the extent to which they are able to disguise their own self-interest by identifying it with the public good. That is the normal pattern. But what is more interesting is the ritual with which these discussions take place.

The usual conforming employer, by and large, will express opposition to the move in the name of higher productivity, lower prices and an alleged labor force shortage.

Trade unions will claim support for the program of shorter hours in the name of full employment and the problems posed by automation, as well as the need for wider distribution of the goods resulting from the increased productivity of our society.

The professors will make themselves the expression of the amorphous disembodied public weal and take an "on the one hand and on the other hand" position, thus making them very scholarly, very dispassionate, but very ineffectual and equally irresponsible.

Now an effective discussion of the feasibility of shorter hours is meaningless in terms of a review of over-all figures for our economy. Nobody makes decisions for our economy as a whole. A multitude of individual decisions bring about an over-all result.

To see how this works, let's examine the different industries. Because in this sphere, labor and management are not homogeneous groups; they are heterogeneous groups. There is competition among the unions within the labor movement, and there is competition between labor and management.

If I am an oil supplier or a steel producer, I am confronted with the problem of establishing a wage-price-profit policy. I read Professor Sumner Slichter's view of our economic picture and glean the future of my industry. Professor Slichter feels that the prices for oil and metals are artificially low. He writes: "There is not much that anyone can do about the growing need for metals and oils unless one can halt the spread of industrialization to underdeveloped countries or check the growth of the population of the world."

I know full well, therefore, if I am an oil or metals industrialist, that I can expect to collect price increase after price increase into the indefinite future, even if my technology continues to be dynamic and my wage level constant. No matter what happens, I will get those price increases. It is in this environment that I sit down to bargain with the union.

The trade unionist in these industries reviews his position with the same knowledge at his disposal as management. He, too, reads Professor Slichter these days. He has become sophisticated. He has come a long way from the time when collective bargaining was viewed as a process in which the entire labor movement was pitted against management.

His experience has taught him that when he bargains for his union he is not only determining the nature of the economic calculus between management and labor in his own industry; he is also determining his status in his own labor leader group by the way his union's wage scale compares with those of unions in other industries. And a favorite way of increasing prestige is by shortening the length of the workweek. In a sense the union leader in oil or metals is bargaining to raise the economic and social status of his constituents *vis a vis* the rest of the working population. The nature of the industry permits him to pursue this end.

Publicly he may express concern that the resultant rise in the price of hard metal goods far outstrips the rise in the price of clothing, thus demonstrating ritual solidarity with the clothing workers. But if the increase for steelworkers means that the steelworker can afford relatively more clothes than the cloakmaker can afford automobiles, he also feels either conscious or unconscious pride in the new superior status of the group he represents. It is this fundamental feeling that lies behind much of the jurisdictional squabbling between unions.

Now, what is the effect of all this on the drive for shorter hours?

The important fact that the trade unionist is forced to remember is that he has no say in the price policies of a corporation. This was emphasized in 1946 when Walter Reuther unsuccessfully attempted to introduce the subject of prices as an element of collective bargaining. Therefore, the trade unionist formulates his strategy to maximize his bargain within these lim-

itations. And he does it within the individual institutional areas where he operates.

Since the almost universal adoption of the standard forty-hour week as a result of the Fair Labor Standards Act, the drive for shorter hours has lost much of its emotional momentum. Under these circumstances the drive for shorter hours becomes a meaningless subject of and by itself.

Many trade unionists will ask for shorter hours when they are really asking for a wage increase. They want the premium for overtime to start after fewer hours than it previously did. We know that overtime assignments are bitterly contended for as a privilege among many groups of workers rather than suffered as a penalty. Assignments for overtime have become one of the lush benefits of high seniority.

An employer, therefore, facing a union in the metal or its derivative industries, understands that when he is confronted with a demand for shorter hours, the demand for more leisure may merely be a disguise for a wage increase. If he is ready to grant the wage increase, then his response will be dictated by the engineering problems of his manning tables.

If there is an unemployment pool, then he must think in terms of allocating new shifts to take in more people. If, on the other hand, he is in a tight labor market, his problem becomes how to allocate overtime assignments in accordance with his seniority pattern.

But now, let's look at the trade unionist in the women's clothing industry. Unlike the metal industry, the clothing industry is contracting and declining. The union faces a real problem of relatively slack employment. Part of the motivation for the thirty-five hour week drive, which has been successfully completed by the International Ladies' Garment Workers' Union, was to demonstrate to nonunionists, who comprise an uncomfortable percentage of the industry, the immediate benefits of unionization.

Wage increases in this industry generally take the form of a percentage addition to an ever-changing piece-rate structure. Over a period of months, these increases have a habit of dissipating themselves. In addition, the relationship between the wage scales of individual nonunion and union factories is often difficult to demonstrate to potential members because of the confusion in relative piece-rate scales.[1]

When the union succeeded in getting the thirty-five hour week for the union factory, and premium pay begins after thirty-five hours, this fits right in with the union's current strategy of dramatizing the difference between the union shop and the nonunion shop. It is hoped that a contract which calls for premium pay after thirty-five hours will make unionization attractive to the nonunionists in the industry.

Even if higher prices are imposed on other workers as a result of these contracts, why should the clothing worker hesitate? He still has no choice but to strive for higher wages or shorter hours within his relatively stagnant technology if he is to keep up with the parade. The only factor that would stop him would be unemployment brought on by deferred clothing purchases.

Thus, in these two industrial contexts, the shorter workweek demand stems from entirely different causes. That is why, when you think of the shorter workweek, you have to think not in over-all terms of labor against management but labor in what industry, and management in what industry. When you do this an altogether different picture develops. Strangely enough, the Ladies' Garment Workers' Union, which has pioneered the thirty-five hour week, operates in a technologically stagnant, depressed, declining industry.

An Experience with Shorter Hours

by Donald G. Robbins

WHEN Benjamin Franklin, at seventy-eight years of age, drew up his last will and testament, he started the preamble this way: "I, Benjamin Franklin, of Philadelphia, a printer . . ."

Printers in the graphic arts industry today are still a proud people, and they have attained many achievements. And among these achievements are contracts embracing the shorter workweek.

Graphic arts unions can be broken down into two parts: (1) the direct printing section, which is composed of seven separate unions—the photoengravers, the typesetters, the bookbinders and so forth; and (2) the litho end, or offset printing, which has one union representing all the people — cameramen, strippers, platemakers, pressmen and finishing-out people.

It is not unusual for a printing concern to have ten separate unions with which it negotiates in the plant. We have five that we negotiate with in ours.

The graphic arts unions are among the oldest of all unions. They date back to right after the Civil War, and they have led the way on many issues.

As far back as 1904 the International Typographical Union struck for a forty-eight hour week when industry in general was working sixty hours. By 1906,

[1] Lest I be misunderstood, I do not mean to imply that there are no differences in working conditions between union and nonunion factories. Of course, the union factories' wage scales in general are higher than those of the nonunion factories. And where the reverse is true, more often than not the nonunion factory is maintaining a higher wage in order to avoid unionization.

in two short years, they had the forty-eight hour workweek well established. In 1921 they struck for the forty-four hour week when industry in general was on a fifty hour week. In 1934, the depression automatically put them on the forty-hour week. In 1937, the ITU struck for and obtained the thirty-seven and a half hour workweek. After World War II, the thirty-five hour workweek more or less became an automatic thing.

The structure of the graphic arts unions helped make it possible for the workers to achieve the shorter workweek. You may deal with seven unions within a plant, and only three or four men may belong to one of the unions, but all of them belong to one Allied Printing Trades Council.

Let us use the photoengravers as an example. A concern may employ a hundred people, of which only four or five are photoengravers. The Photoengravers' union says it will strike for shorter hours. The employer could take the strike. But in the final analysis, the employer figures it is not worth having the whole Allied Printing Trades Council out on the street over an issue involving only four or five people. So he decides to give in and reduce the hours for this particular group.

But on the next round, the Typographers cry: "Look, you gave it to the Photoengravers. We set the type. We require more skill. And our skill is more important than theirs. We should have the shorter workweek too."

So the extension of shorter hours from one union to the other became almost automatic, even down to the unskilled female finishing people in our binderies.

The Lithographers have not been quite as successful as the other graphic arts unions in reducing the workweek. But as early as 1886, the Lithographers struck for the forty-eight hour week. In 1906 they again struck for it; but it wasn't until 1911 that they successfully won the forty-eight hour workweek. In 1927 they struck for the forty-four hour workweek and obtained it. The reduction to forty hours was the result of a share the work clause in the 1934 contract. And from 1934 until 1945, they remained on the forty hour workweek. In that year, they pulled out of the AFL, because they could not become a member of the Allied Printing Trades Council, and joined the CIO.

Immediately after joining the CIO, they successfully negotiated a thirty-seven and a half hour workweek. In 1948 they negotiated a thirty-six and one-quarter hour workweek. And in 1953 they negotiated a thirty-five hour workweek.

In many instances these reductions were accomplished by long and bitter strikes. It was collective bargaining at its worst. The union would say to the employer: "We want thirty-five hours." When the employer asked, "Why?" they couldn't justify it. Instead they answered: "The boys want thirty-five hours, and we are going to get it or we are going to have to shut you down. And that is all there is to it." That is the way the reduction in the workweek generally came about. It was only possible because of the shortage of skilled people.

The union has been very shortsighted in not easing some of the other contract conditions. For example, the apprenticeship ratio is four journeymen to every apprentice. It takes four to eight years to train a man. But the unions instituted no training program, no schools, nor any educational program. As a matter of fact, the industry has had to set up its own training programs. In our particular plant, we have a full-time classroom instructor plus on-the-job training in order to teach our apprentices.

New-equipment clauses in the contracts have also held back the industry. Before we can use a new piece of equipment, the union has to set the wage scale and the complement of men on that type of equipment. On some of the presses it has become more or less a joke because there just isn't any place on the press for the number or type of people the union wanted there. Also there have been frequent jurisdictional disputes over new equipment—for example, between the phototype setters and the electric scanners.

There are many other costly items in our contracts. For example, after seven hours a day, our men get time and a half for the first two hours and double time after that. Saturday and Sunday work is paid at double time, holidays at triple time. The men have fringe benefits and welfare provisions which cost us from $2.50 to $3 a week per employee and pensions of $2.50 to $3.75 a week. They also get three weeks' vacation after one year.

In the lithographic industry in many localities, there is a 10% differential on the second shift and a thirty-one and one-quarter hour week with the same take-home pay. On the third shift they have a 15% premium and a thirty hour week with the same take-home pay.

Let's examine what this means to an employer. A cameraman makes $3.50 an hour. On the second shift he receives $4.30 an hour, or an increase of 80 cents an hour; on the third shift he gets $4.70 an hour, or an additional $1.20 per hour.

Of course, we all know what it means to have less time over which to spread the overhead and depreciation. Let's look at a typical machine setup in our particular plant. A machine that we were selling for $35 an hour on the forty-hour workweek went to $39.70 an hour when the thirty-five hour week was introduced. On the second shift it went to $46.06, an increase of $11.06 an hour; and on the third shift it

went to $48.18, or an increase of $14.18 per hour.

You ask, "How does this cost hit us?" Frankly, it hits us right between the eyes. It wouldn't be so bad if there were enough skilled men to go around, but when men are just not available, that is all there is to it.

Despite the thirty-five hour workweek, last year in our particular plant the employees worked an average of 40.2 hours per week. This was necessary because the nature of our industry compels us to work a three-shift operation. Also, because of the nature of the industry it is impossible to schedule far ahead so as to avoid overtime. It costs us a lot of money to shut down a press and to wash it up and make ready.

One of the ways by which we have tried to overcome the costs of the shorter workweek is by installing bigger and faster equipment; in other words, we have attempted to increase productivity. But this is not always possible either, because the graphic arts industry is made up of small businessmen, many of whom cannot afford expensive presses, which may cost as much as $400,000.

We have also tried to cut corners by using the latest efficiency methods. The office man is coming into his own because scheduling and production handling have become very important with the shorter workweek.

Looking back, we couldn't afford the shorter workweek, but we got it. We are now trying it out. What concerns us at present is where we go from here. With all the talk of an even shorter week, it seems likely that the graphic arts industry will be the first place for it to hit. It would be extremely easy to sell men, already working thirty-five hours, on a four-day week. The three-day weekend would have great appeal to his whole family.

But, regardless of any contractual reduction in hours, we will still have to work the same hours we are working now. Therefore, it would only mean more penalty pay because skilled craftsmen are in short supply and the work must get done. We have tried to overcome the short supply by working out less stringent apprenticeship ratios, but we haven't been too successful. And once you have negotiated your overtime premiums, you can't go back.

To sum up the graphic arts industry's situation, if Benjamin Franklin were writing his last will and testament today, he would probably start out his preamble something like this: "I, Benjamin Franklin, of Philadelphia, a victim of the shorter workweek, printer. . ."

Round Table Discussion

CHAIRMAN STEWART: Isn't labor's present rationale on shorter hours essentially the same as the theory behind attempts to legislate shorter hours during the Thirties—namely spreading work?

MR. BROOKS: No, I don't think so. I thought I made it clear that today we have a much more modest approach to the problem than we had in the early Thirties. Then we believed that either through legislation or trade union action we would spread employment.

Mr. Meany's present position is quite a different one. He says there are going to be shorter hours. There have to be shorter hours. We are not going to make them, but when they do happen we want them to happen in a certain way. And that way is to share the work down to a certain point. It doesn't mean that we have any objection to temporarily taking some overtime pay. We don't.

Everybody has been charmed to make the discovery in the last few years that workers enjoy fighting for overtime. We have known it for fifteen years. But to just stop there is a mistake. There is more to this than the fight for overtime. The hours have gone down. They have gone down substantially. And they are still going down. And they will keep going down. But putting shorter hours into effect isn't as easy as has sometimes been implied by the speakers here. It is not easy, for example, in a continuous production industry like pulp and paper or chemicals to go from an eight-hour day to a seven and one-half hour day. I don't see how it could be done. We will have to take it in one lump, from eight to six. That is the problem we wrestle with, but it will be done. Mr. Meany thinks it will, and I think it will.

MR. NORTHRUP: May I ask a question? I think maybe a lot of us are a little puzzled. If labor isn't going to push hours down and government isn't going to push them down, who is?

MR. BROOKS: Who pushed them down before?

MR. NORTHRUP: Labor and government.

MR. BROOKS: I don't think so. I think labor provided very strong stimuli.

MR. NORTHRUP: I will buy that.

MR. BROOKS: It is not the same thing. The people who made the shorter hours possible are the technicians—nobody else. All we did was help management see the possibilities the technicians had created.

MR. NORTHRUP: That is a charming way to put it.

FLOOR QUESTION: I don't profess to be an economist. I am very naive in that area. But from the viewpoint of practical manufacturing, it seems to me that when you talk about a reduction in hours—unless you are just simply going to reduce the hours and do nothing about adjusting pay, and I am not nearly that naive—you are talking about increasing unit costs. That to me can only mean one thing. Ultimately we are going to give labor a larger share of the gross national product. Otherwise, we'll just increase our costs and selling prices, and thereby only add to the inflationary forces. In that case the man in the shop will take home more money, but he will still have to work the same number of hours to buy a washing machine.

MR. NORTHRUP: The basis of what you say is perfectly correct. If you men are going to work the same number of hours but with a shorter contractual workweek, you will have to pay overtime, which is another way of saying your labor costs will go up. And in order to counteract higher labor costs you will have to spend more money for new machinery. So initially, your costs will go up. And in a highly competitive industry—for example, the washing machine industry—you are going to take quite a beating from the cost point of view. I don't care what the economists tell you, that is going to hit you first.

MR. GOMBERG: These comments remind me very much of the discussions I used to have with trade unionists from abroad concerning this whole subject of what stimulates productivity in our economy. Now the general view is that somehow a bigger pie is produced and then, like good children, we all sit around and take our just shares. This is the public relations man's illusion of what happens that he passes on to the Europeans. Then they come here with the distorted picture that we are all well-behaved children striving like the devil to make bigger pies to divide. But that isn't what happens.

What happens is this: labor walks up to management and kicks management in the shins. Management looks indignant and gets very emotional, and says, "By God, I can't afford it." The labor man says, "Oh sure you can." And this dialogue keeps up till management says, "Gee, I've got to pay it. Now I've got to figure out how." The engineers are called in. And some fellow comes up with a great big, "Gee whiz, we got three men here. We can get rid of two of them by revising this or that process."

The union leaders very often imply that they have more confidence in management than management has in itself. Therefore, labor looks upon its function as an essential shin kicker to management. It kicks and gets a response. First the wage is bucked up, then productivity goes up in response. I imagine that this game will go on indefinitely. And I am not one to believe you ought to take emotion out of the matter. Management should keep on resenting, but keep on showing its ingenuity; labor will continue to show its aggressiveness, and we will all get along.

I am describing a dynamic process. We are fortunate in this country that when labor kicks, management reacts in a dynamic way. Now if they reacted as French enterprise or lack of enterprise does, or like the Italian lack of enterprise, you would have an entirely different picture. You would have stationary productivity with contracting employment.

It takes two to engage in the process; I don't want to give the monopoly to labor. If labor didn't kick, management would become complacent. We are rather fortunate that our structure is such that management reacts constructively when labor kicks.

MR. BROOKS: I think that Mr. Gomberg may have forgotten his own adjuration to remember what industry one is talking about. We would be way off base if we assumed this was true of our whole economy.

I would like to think that labor had as much influence as Mr. Gomberg described. But in mass production industries, it doesn't. I don't know a single pulp and paper company that would reduce or alter its research and expansion program by one iota because we do or do not ask for a wage increase, or a shorter workweek, or anything else. There is a momentum in technological change which acts as the real initiative in our economy.

I would love to think that we have a hand in this process, but we don't have a hand in it any more than administrative management has its hand in it.

MR. ROBBINS: It is extremely important, as Mr. Brooks says, to look at the particular industry. Let's forget the big industries like automobile and steel and look at some of the others—for example, the packaging industry or the graphic arts. If you will think back, you'll remember you had fewer calendars coming across your desk this year than you had last year or the year before that. Formerly, you had dozens of calendars coming in, but how many do you have now?

And as for the packaging industry, you all remember that a few years ago, 7-Up, to pick a random example, had a paper label. Now they have a cheaper process where they bake the silk screen right into the glass container.

And the printing of paper money—well, we all see less of that than we did last year, too.

FLOOR COMMENT: In my business I don't buy calendars any more because they are too damned expensive.

FLOOR QUESTION: A basic question is still: Will our employees continue to work forty hours a week and ultimately have three cars, or do they prefer to work thirty hours and continue to get along with one damn automobile?

MR. GOMBERG: They are indefinite. I am sure that if you give them the choice they will toss a coin.

FLOOR QUESTION: Suppose for a moment, you look at the economy as a whole, instead of looking at a particular industry or employer. Historically, productivity has been going up at a rate which presumably can be calculated. Now if wages go up at a rate higher than that, one of two things must happen: either labor gets a larger share, or inflation results.

Now we know that over recent years wages have been going up, to put it mildly, at least as rapidly as productivity. Actually, the wage-productivity relationship is understated because we are only talking about hourly people. The proportion of salaried people is going up. And this is not usually taken into account when talking about the relationship of wages and productivity.

Also, most of the statistics on wages eliminate or disregard a very important part of the wage supplement—pensions and insurance and things like that.

It is within this framework we must discuss the shortening of the workweek, which would speed up the increase in wages much more rapidly.

Both Mr. Gomberg and Mr. Brooks agree that one of the main objectives of the shorter-hours drive is to increase wages more rapidly. In view of that, the pertinent question that warrants repetition is: Will the shortening of the workweek inevitably result in much greater inflationary pressure or will it act to the detriment of some other sector of the economy?

MR. GOMBERG: It seems to me that the question answers itself. When you talk of shorter hours or you talk of higher wages, you are talking about the same thing. You may say that one is faster than the other. That is a matter of taste and choice.

Now, as for the relationship between wages and prosperity, this is something that has been debated for quite some time.

Fundamentally, I think we can agree that it is necessary to achieve a balance between the amount of money to be channeled into consumer goods and the amount of money going into investment goods, equilibrated at a full level of employment. Professor Slichter tells us that the cost of full employment is a slow creeping inflation. Personally, if I had to choose between Professor Slichter's creeping inflation and a pool of unemployment, I would prefer the creeping inflation.

FLOOR QUESTION: Are we to assume that the employer has no impetus to reduce costs in order to expand his market unless labor gives him a kick in the shins?

MR. NORTHRUP: I am glad you raised that point, because I was dying to say something about it.

There is no doubt that in large sectors of our economy a sharp wage increase resulting from union demands does spur technology. But if we are supposed to believe that the unions are the major spur in technological advancement and management is sitting on its hands, how come all the technological advancement before 1935?

It is ridiculous to assume that unions are the main spur. It is just not true. But in those areas of the economy where management is not alert and is letting its share of the market decline, the unions may well be the mainspring. On the other hand, where management is strong and tough, and knows what it wants, it doesn't need a union to spur its technological advance.

This shin kicking is just a popular supposition that is not supported by any research on the subject—except in those areas of the economy where management is deficient and frequently gets replaced.

CHAIRMAN STEWART: This discussion has been wide ranging. Perhaps it is fair to conclude that most people would like to have more leisure, and would like to have that leisure at higher levels of income. At the same time, it would appear that organized demands for the shorter workweek are in no small part a strategy in collective bargaining, with the ultimate objective of higher rates rather than actual shorter hours of work.

The shorter workweek will almost necessarily have an effect on unit costs. It will create cost and pricing problems for management, the difficulty of which will depend upon the changes in wage rates and unit costs as affected by productivity changes. Hence, the question of shorter hours merges with the general question of wage policy, both in bargaining between management and labor to determine wages and in relationship to general economic policy.

The Pattern of Management—The author traces the development of management principles and practices in the United States and stresses the need for a closer unity between theory and practice. He organizes the problems involved in efficient management in four parts: the study of the task; adjusting the individual to the task; arranging and correlating tasks; and motivating and integrating groups. The book is based upon a series of lectures delivered at the University of Minnesota under the auspices of the Merrill Foundation. *By Lyndall F. Urwick, University of Minnesota Press, Minneapolis, Minnesota, 1956, 100 pp. $2.50*

Labor Press Highlights

The IUD Clearing House

WHEN the AFL and CIO joined together in December, 1955, a new department was organized in the merged federation—the Industrial Union Department. All of the former CIO unions as well as many former AFL unions belong to the Industrial Union Department. At present, it consists of seventy-six unions, with a total membership of approximately 7.5 million.

According to its constitution, the IUD's function is not to organize or to bargain collectively. Rather its objectives are, among other things, to promote the interests of industrial unions, to help its affiliated unions in collective bargaining, to engage in legislative activity, to act as an information clearing house, to conduct research, and to encourage organization of all workers.

One of the main concerns of the IUD has been how to best carry out all these objectives. And one of its answers has been the formation of special committees to "provide a common clearing house through which affiliated unions can explore, and agree upon, ways of meeting common problems." Three types of committees have been set up: (1) industry group committees; (2) technical committees; and (3) joint committees. The following information concerning them comes from various issues of the *IUD Bulletin,* except where otherwise cited.

Industry-Group Committees

The first committees set up by the IUD were the industry-group committees. These committees, thirteen in number, bring unions in related industries together to explore common problems so that they can gather information which will assist them in collective bargaining. The unions do not have to have the same general jurisdiction, for the committees are not supposed to be concerned with jurisdictional problems. Rather the unions participating in a committee have common collective bargaining problems.

The following special industry committees have been set up. There are at least eight unions in each committee, and sixty-eight of the seventy-six IUD[1] affiliates have indicated a desire to participate in the committees' activities.

[1] Prior to the February, 1957, meeting of the IUD executive board, there had been seventy-two affiliates. Five more joined at that time. But two of the paper unions merged, leaving seventy-six unions. Whether any of the new members have as yet participated in committee activities is not known.

Industry Committee	*No. of Affiliates*
Atomic, chemical, oil and petroleum	20
Building materials (brick, cement, glass and stone)	17
Communications and communications equipment	8
Consumer goods (clothing, apparel, etc.)	8
Food and beverages	17
Metal working, machining and fabricating	19
Paper, printing and publishing	9
Public employment	12
Public utilities	12
Transportation	14
White collar employment	18
Wholesale, retail and other services	12
Wood, furniture and related products	11

The first meetings of these committees were exploratory. Members expressed the need for the following activities:

1. The preparation, collection, and exchange of such data as wage surveys; contract termination data; health, welfare and pension plans; and other collective bargaining material.
2. A central file of collective bargaining contracts.
3. Information concerning new kinds of contract provisions.
4. Economic information regarding specific employers and their operations.
5. A reference service where information could easily be obtained.
6. Special technical assistance, particularly for smaller unions, on such problems as health and welfare plans and automation.
7. A roster of technicians employed by IUD affiliates who might offer help on technical problems to other IUD affiliates.
8. Coordination among unions having one employer.
9. Coordination in legislative activity—for example, on Walsh-Healey determinations.
10. Specific research undertakings, such as brief surveys of labor relations legislation affecting public utilities or supervisory employees.

As a result of these exploratory meetings and later meetings of the committees, the IUD's over-all program for committees is being formulated. The program calls for the establishment of technicians' committees to plan specific projects and working conferences; broad conferences on collective bargaining and legislative issues; day-by-day legislative, public relations, and research activity; a steady flow of research and pamphlet materials; and the general implementation of the industry committee program.

The boundary lines of these committees will be limited by the following two factors, reports IUD Director Al Whitehouse:

"1. The industry committees cannot properly get involved in the question of jurisdiction.

"2. Neither can the industry committees appropriately get involved in organizing, which is the function of a staff department of the AFL-CIO."

Technical Committees

One of the main desires of the industry-group committees has been the organization of technical committees. The following have been organized:

Technical Committee	*No. of Affiliates*
Attitude surveys	8
Automation	13
Guaranteed annual wage and supplementary unemployment benefits	13
Health, welfare and pensions	18
Industrial engineering	9
Staff training	16

These committees carry out specific IUD activities and projects. They discuss the collective bargaining problems of their respective fields, provide technical aid to affiliates, and attempt to clarify union understanding of complex technical problems.

All of the committees have already met. The guaranteed annual wage and supplementary unemployment benefit committee, for example, discussed the need for compiling a single reference source of all current SUB clauses. It further agreed to concentrate on securing maximum integration between state unemployment compensation programs and SUB. The committee is also planning a workshop that will cover the negotiation and administration of SUB plans.

The members of the committee on automation exchanged experiences and viewpoints on automation and discussed the bargaining problems that are arising as a result of the introduction of automation into industry. The industrial engineering committee members discussed their experiences with job evaluation, time study, and incentives. A similar discussion of the members' experiences took place in the health, welfare and pension committee. And the attitude surveys committee is investigating the usefulness of attitude surveys in union administration.

The staff training committee recommended that the IUD organize an experimental staff training program for the international union staffs. Two types of programs were suggested: a two-week general program, including such subjects as NLRB and arbitration procedures; and a "cram" course for particular technical subjects, such as industrial engineering.

As a result of these meetings, a series of conferences for union technicians and other union personnel have been scheduled by the IUD. These are to be working conferences "intended to provide an exchange of practical and theoretical information." They will deal with collective bargaining problems and the technical aspects of supplementary unemployment benefits, health and welfare programs, industrial engineering and automation. For example, the IUD conference on health and welfare plans will discuss:

- The mounting costs of medicine and the need to establish "satisfactory relationships with doctors and hospitals."
- Standards that should be applied in selecting insurance carriers, brokers, and consultants.
- How different unions have dealt with problems arising in both negotiation and administration of health and welfare plans.
- Recent developments in health and welfare plans, and steps taken to obtain maximum benefits for active union members and retired workers.

The director of the Industrial Union Department has asked all IUD affiliates to send to this working conference representatives who have some background in health and welfare programs. He further states that the IUD's objective in holding this meeting is "to provide background and knowledge to those whose job it is to develop, negotiate, and administer health and welfare programs."

Joint Committees

Another important demand of the industry-group committees was the formation of committees made up of IUD affiliates who bargain with a common employer or who are within a common sector of an industry. Such committees are now a permanent part of the IUD's program. So far, three unions in the electric battery industry, three unions in the paint industry, eight unions that negotiate with United States Gypsum, and five unions at Avco Manufacturing Company have held meetings and formed committees. Prior to the meetings, the IUD's research staff, headed by Jack Barbash, gathered material concerning the company's or industry's business volume, financing, profits, wage structures, unions, productivity, and similar data. Then the union representatives met, discussed the data, and decided how much coordination they wanted.

At the Avco meeting, the unions discussed possible improvements in the health and welfare programs and contract termination dates. The eight unions represented on the United States Gypsum committee decided to study that company's health and welfare program. They further agreed to discuss with a representative of the AFL-CIO organizing department the need for further unionizing United States Gypsum. Similar suggestions came from meetings in the paint industry.

The IUD is at work on preparatory research for other committees. Mr. Whitehouse feels that these joint committees open a "promising" field for the IUD:

"As a minimum, the opportunity to explore in detail

the collective bargaining relationships of other unions in the same enterprise or industry has proved to be very valuable for individual affiliates. Moreover, the IUD has been able to provide technical analysis of particular problems that in several instances would have been beyond the resources of the individual unions. The extent to which a program of joint action emerges from any of the joint committees depends of course on the consent of the participating unions."

For example, in the *IUD Digest,* a union official discusses at great length what he terms the "antiunion policy" of a company. Then he concludes that "we must coordinate a sixteen-union organizing program aimed at the simultaneous unionization of all key plants. Only through such a program will a strike threat become more than a meaningless gesture. We must submerge our jurisdictional differences among ourselves and concentrate on the major target." And one of the main functions of the special IUD committee dealing with this company is to provide the background information for such a drive.

Union Attitude Toward Escalators

About 3.5 million workers, or 20% to 25% of all workers under union agreements, are now covered by cost of living escalator clauses, reports the *AFL-CIO Collective Bargaining Report.* This is more than twice the number of workers covered two years ago. The recent growth in this type of agreement is the result of the adoption of escalator provisions in the 1956 negotiations of the steel, railroad (nonoperating unions) and meatpacking industries, and in 1955 in electrical manufacturing and in trucking and local cartage in the Midwest.

Cost of living adjustments in contracts date back to the 1920's, when they were negotiated in the printing and ladies' garment industries. But, as the *AFL-CIO Collective Bargaining Report* states, until recently unions generally opposed any "system automatically tying wages to the cost of living." There were two reasons for this opposition according to this paper:

1. It was felt that escalator clauses would limit real wage increases. If used alone, they would mean a "freezing" of real wages and no improvement in the workers' standard of living. Because of this, unions preferred frequent wage negotiations so that criteria other than cost of living could be taken into account, and improved living standards for workers could be brought about.

2. Unions also feared that escalator clauses in contracts might mean wage cuts during periods of declining prices.

However, over the years, the unions' attitudes have changed, states the AFL-CIO publication. At present, they find that the adoption of escalator clauses does not preclude the inclusion of other criteria in wage determination. Management, the AFL-CIO paper feels, has generally accepted the theory that wages should not only compensate for increased cost of living but should also provide for improved standards of living.

Moreover, unions have found that one way of dealing with management's desire for long-term contracts is to negotiate cost of living escalator clauses. Such clauses are attractive to workers during the present period of rising prices, since they insure rapid wage adjustments, particularly if the arrangement is for quarterly or semiannual adjustments. (See table.) As the *Collective Bargaining Report* points out, workers may not be better off when they get a raise under

Schedule of Automatic Cost of Living Adjustments under Major Agreements

Month [1]	Aircraft [2]	Auto [3]	Electrical Mfg. [4]	Meat-packing [5]	Railroad [6]	Steel [7]	Trucking [8]	
January			√	√		√		January
February	√						√	February
March		√						March
April			√					April
May	√				√			May
June		√						June
July			√	√		√		July
August	√						√	August
September		√						September
October			√					October
November	√				√			November
December		√						December

Source: *AFL-CIO Collective Bargaining Report*

[1] These are the months in which adjustments are made effective.
[2] Douglas Aircraft Co. and Machinists and Auto Workers. Other aircraft agreements have different schedules. The North American Aviation-Auto Workers agreement has a schedule of January, April, July and October.
[3] All major auto companies and Auto Workers.
[4] General Electric Co. and International Union of Electrical Workers. The agreement of Westinghouse Electric Corp. and same union has a schedule of February, May, August and November.
[5] Major meatpacking companies and Meat Cutters and Packinghouse Workers.
[6] Class I railroads and unions of nonoperating employees and Locomotive Firemen and Enginemen.
[7] All major basic steel producers and Steelworkers.
[8] Central area (13 Midwest states) over-the-road trucking and local cartage companies and Teamsters.

an escalator clause, but it does prevent loss of buying power. And most contracts today also include clauses limiting the amount that wages can decrease if prices should drop.

ALBERT A. BLUM
Division of Personnel Administration

* * *

Canadian Labor Press Highlights

Unions Talk to Governments

Union groups across Canada have been meeting with government officials, on both the federal and provincial levels, to present union views and demand action on a broad social program. As reported in *Canadian Labour,* the Canadian Labour Congress met with Prime Minister St. Laurent and other Federal Government leaders to outline the CLC's five major aims. The brief it introduced calls for: "(1) full employment with a rising standard of living; (2) satisfactory sharing of the national income, which includes comprehensive social security; (3) a nationwide plan of health insurance; (4) uniform labor legislation throughout Canada, covering all workers including those in the public service; and (5) bread, peace and freedom for all peoples throughout the world."

The specifics of the CLC's program ranged from tariffs to trading stamps, from automation to the government-owned Canadian Broadcasting Corporation, and from economic policies to mail deliveries. In nearly all matters, the 9,300-word CLC brief urged closer federal-provincial cooperation wherever governments play a role in labor matters.

Regarding federal civil servants, the council asked the government to abolish the present practice of setting "salary scales by unilateral decision of the government." In its place, the CLC urged a regular bargaining procedure for federal civil servants that would allow "voluntary resort to arbitration when necessary."

The Prime Minister's reaction is reported as follows by *Canadian Labour:* "As you know, we have been of the opinion that collective bargaining could not operate within the Canadian Civil Service, as public servants are not employees of the government as such but of the people of Canada." However, according to *Canadian Labour,* Mr. St. Laurent has asked to have a full report made on the bargaining procedures adopted by the British Government for its employees, which will be "studied most carefully."

Two days after this statement was made, a smaller CLC delegation presented specific proposals for its affiliated civil service associations (membership of about 30,000). Among these proposals, as reported in the *CLC News,* is "the right, as a last resort, to seek and obtain arbitration services, the award of which would be binding on both the government and the employees on issues that cannot be resolved in direct negotiation." This point has been called "an unusual concession of trade union privileges" by the *United Automobile Worker—Canadian Edition.* It reports the brief under the headline "Swap Strike Right for Bargaining, CLC Proposal on Government Workers."

Briefs are also being presented by provincial labor organizations to government leaders of New Brunswick, Nova Scotia, Manitoba, Alberta and British Columbia. Almost all the briefs, as reported in the *CLC News,* took up the issues of national health insurance,[1] housing, workmen's compensation and equal pay for women. In most other areas, the briefs vary widely, depending on the particular labor problems and laws in each province.

Auto Imports

The *UAW—Canadian Edition* reports that George Burt, UAW director, has appealed to General Motors, Ford and Chrysler of Canada to meet for a discussion of the increase of car imports into Canada. In a letter to the presidents of each company, Mr. Burt points out that the value of imports to Canada in the first four months of 1956 was over $62 million. In the early months of 1957 there were approximately 9,000 workers without jobs in Windsor, says Mr. Burt, and the Chrysler Corporation recently laid off 800 employees and is working short time "at a period in the automobile season when they should be working full time." Mr. Burt adds that "this should be a high-level meeting and should be free from the ordinary discussions on grievances and contract matters which are going on every day."

Unions and Management Agree on Apprenticeship Training

Several British Columbia local unions recently presented briefs at a hearing on apprenticeship training of the provincial Department of Labour. According to the *Mine-Mill Herald,* one of the briefs which was prepared by three locals of the Mine, Mill and Smelter Workers, ind., urged changes in the provincial act that would assure apprentices recognition of previous training and the opportunity to move along in their training as quickly as their abilities allow. The unions would also like to see apprentice minimum pay raised from the present 25% to 50% of the journeyman's rate in each trade. The Mine-Mill district secretary commented that "the strangest thing about the whole proceeding was the fact that, with very few exceptions, both unions and employers were in general agreement."

SHIRLEY MANNING
Canadian Office

[1] See National Health Plan in "Labor Press Highlights from Canada," *Management Record,* March, 1957, p. 98.

Significant Labor Statistics

Item	Unit	1957		1956					Year Ago	Percentage Chan[ge]	
		Feb.	Jan.	Dec.	Nov.	Oct.	Sept.	August		Latest Month over Previous Month	Lates[t] Mont[h] over Yea[r] Ago
Consumer Price Indexes											
All Items	1953 = 100	103.6	103.4	103.2	103.2	102.7	102.4	102.3	101.1	+0.2	+2
Food	1953 = 100	100.5	100.2	100.5	100.5	100.8	100.3	100.4	97.3	+0.3	+3
Housing	1953 = 100	104.8	104.5	103.7	103.6	103.4	103.3	103.0	102.4	+0.3	+2
Apparel	1953 = 100	100.9	100.8	100.7	100.7	100.5	100.3	100.2	99.3	+0.1	+1
Transportation	1953 = 100	107.7	107.8	107.9	107.7	104.1	104.1	103.9	105.3	−0.1	+2
Sundries	1953 = 100	105.8	105.5	105.4	105.2	105.0	104.7	104.5	103.4	+0.3	+2
Purchasing value of dollar	1953 dollars	96.5	96.7	96.9	96.9	97.4	97.6	97.8	98.9	−0.2	−2
(*BLS*) All Items	1947–1949 = 100	118.7	118.2	118.0	117.8	117.7	117.1	116.8	114.6	+0.4	+3
Employment Status[1]											
Civilian labor force	thousands	*66,311	*65,821	67,029	67,732	68,082	68,069	68,947	65,491	+0.7	+1
Employed	thousands	63,190	*r* 62,578	64,550	65,269	66,174	66,071	66,752	62,577	+1.0	+1.
Agriculture	thousands	5,195	*r* 4,935	5,110	6,192	7,173	7,388	7,265	5,470	+5.3	−5
Nonagricultural industries	thousands	57,996	*r* 57,643	59,440	59,076	59,000	58,683	59,487	57,107	+0.6	+1
Unemployed	thousands	3,121	*r* 3,244	2,479	2,463	1,909	1,998	2,195	2,914	0	+7
Wage Earners[2,3]											
Employees in nonagr'l establishm'nts	thousands	*p* 51,245	*r* 51,253	*r* 53,131	52,484	52,455	52,261	51,881	50,246	A	+2.
Manufacturing	thousands	*p* 16,908	*r* 16,934	*r* 17,133	17,151	17,222	17,121	17,034	16,824	−0.2	+0
Mining	thousands	*p* 801	*r* 803	811	811	812	818	817	780	−0.2	+2
Construction	thousands	*p* 2,741	*r* 2,723	*r* 3,029	3,191	3,301	3,340	3,353	2,588	+0.7	+5
Transportation and public utilities	thousands	*p* 4,103	*r* 4,110	*r* 4,180	4,170	4,177	4,179	4,178	4,083	−0.2	+0
Trade	thousands	*p* 11,100	*r* 11,158	*r* 12,092	11,496	11,288	11,164	11,047	10,819	−0.5	+2
Finance	thousands	*p* 2,311	*r* 2,295	2,308	2,313	2,312	2,321	2,355	2,250	+0.7	+2
Service	thousands	*p* 5,929	*r* 5,918	*r* 5,976	6,010	6,045	6,105	6,137	5,818	+0.2	+1
Government	thousands	*p* 7,352	*r* 7,312	*r* 7,602	7,342	7,298	7,213	6,960	7,084	+0.5	+3
Production and related workers in mfg. employment											
All manufacturing	thousands	*p* 13,091	*r* 13,126	*r* 13,312	13,353	13,439	13,335	13,245	13,212	−0.3	−0
Durable	thousands	*p* 7,679	*r* 7,713	*r* 7,791	7,802	7,751	7,583	7,541	7,692	−0.4	−0
Nondurable	thousands	*p* 5,412	*r* 5,413	*r* 5,521	5,551	5,688	5,752	5,704	5,520	A	−2
Average weekly hours											
All manufacturing	number	*p* 40.2	*r* 40.1	41.0	40.6	40.7	40.7	40.2	40.5	+0.2	−0
Durable	number	*p* 40.9	*r* 40.8	41.9	41.2	41.5	41.4	40.7	41.0	+0.2	−0
Nondurable	number	*p* 39.2	*r* 39.1	39.8	39.6	39.8	39.7	39.5	39.8	+0.3	−1
Average hourly earnings											
All manufacturing	dollars	*p* 2.05	2.05	2.05	2.03	2.02	2.00	1.98	1.93	0	+6
Durable	dollars	*p* 2.18	*r* 2.17	2.18	2.16	2.15	2.13	2.10	2.05	+0.5	+6
Nondurable	dollars	*p* 1.86	1.86	1.86	1.85	1.83	1.82	1.81	1.75	0	+6
Average weekly earnings											
All manufacturing	dollars	*p* 82.41	*r* 82.21	84.05	82.42	82.21	81.40	79.60	78.17	+0.2	+5.
Durable	dollars	*p* 89.16	*r* 88.54	91.34	88.99	89.23	88.18	85.47	84.05	+0.7	+6.
Nondurable	dollars	*p* 72.91	*r* 72.73	74.03	73.26	72.83	72.25	71.50	69.65	+0.2	+4.
Straight time hourly earnings (estimated)											
All manufacturing	dollars	*p* 1.99	1.99	1.98	1.97	1.96	1.94	1.92	1.87	0	+6.
Durable	dollars	*p* 2.11	2.10	2.09	2.08	2.07	2.05	2.03	1.98	+0.5	+6.
Nondurable	dollars	*p* 1.82	1.82	1.81	1.81	1.78	1.78	1.77	1.71	0	+6.
Turnover Rates in Manufacturing[2]											
Separations	per 100 employees	*p* 3.0	3.3	2.8	3.3	3.5	4.4	3.9	3.6	−9.1	−16.
Quits	per 100 employees	*p* 1.2	1.3	1.0	1.3	1.7	2.6	2.2	1.3	−7.7	−7.
Discharges	per 100 employees	*p* 0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0	−33.
Layoffs	per 100 employees	*p* 1.4	1.5	1.4	1.5	1.3	1.4	1.2	1.8	−6.7	−22.
Accessions	per 100 employees	*p* 2.8	*r* 3.2	2.2	2.9	4.0	4.1	3.8	3.1	−12.5	−9.

[1] Bureau of the Census.
[2] Bureau of Labor Statistics.
[3] The BLS has adjusted its nonfarm employment and hours and earnings series to first quarter 1955 benchmark levels. The benchmark level is the total count of workers covered in each industry, and in this instance the data were received from governme[nt] social insurance programs. The adjustment affects all figures since February, 195[.]

p Preliminary. *r* Revised. A Less than .05% change.

* February and revised January employment status figures reflect slightly mo[d]ified definitions of employment and unemployment.

Another Increase in Consumer Prices

The regular price picture this month is supplemented by a special section on the public transportation index, which includes a look at city transit fares since 1953

ANOTHER HIGH in THE CONFERENCE BOARD'S all-items index was reached in February, 1957, when consumer prices rose 0.2% over the month. The consumer price index for the United States at 103.6 (1953=100) was 0.2% above the previous month and 2.5% above the February, 1956, figure.

The purchasing value of the consumer dollar fell to 96.5 cents (1953=100 cents) in February, 1957. This was 2.4 cents under the year-ago value.

Price advances in four of the five major commodity groups caused the increase in the all-items index. Only transportation costs declined over the month, and they were down a slight 0.1%. Food, housing and sundries all registered 0.3% increases, while apparel prices edged up 0.1%.

The food price rise followed a decline of 0.3% in January, the previous month. The February rise was the result of increases in all food groups, except dairy products and eggs. Meat, fish and poultry rose 0.8% over the previous month, as pork prices (up 2.6%) continued to advance, and poultry prices (up 2.1%) recovered from their previous weakness. The other meats group also rose. Beef prices, on the other hand, declined 1.2%; and fish prices were fractionally lower.

Vegetables and fruits continued to rise, with a 0.7% increase reported. The downward trend of fresh fruit prices came to a halt with a 2.3% rise over the month. On the whole, vegetable prices were somewhat lower, although potatoes were a little higher than in January. Canned vegetables and frozen fruits and vegetables were slightly lower, but canned fruits rose 0.4%.

Cereal and bakery products, which have been rising steadily for the last few years, continued their climb with a 0.6% advance. An increase of 0.3% was recorded in the "other foods at home group," as the prices of fats and oils, sugar, and tea all rose. Coffee prices were down 0.7%—the third successive drop since the end of the prolonged upward rise of last year. The 0.6% decrease in dairy products and eggs was due to a further decline in the price of eggs and a very slight drop in the price of fresh milk. Other dairy products were slightly higher over the month. Since beef and eggs were the only food items which were substantially lower than last month, they could hardly balance the many increases for other food goods.

Housing costs rose 0.3%, with fuel, power and water advancing 0.7%. The rise in the fuel, power and water group was the result of seasonally higher prices for solid fuels and an increase in fuel oil. Lesser increases were reported in the other housing groups. Both the rent and furnishings and equipment indexes were 0.2% higher, and other household operations rose 0.3%.

Apparel prices were only 0.1% above the previous month, while transportation costs were down the same amount.

Consumers paid 2.5% more for their goods and services in February, 1957, than they did in February of last year. All five major components of the index were higher, with food prices—up 3.3%—leading the advance. Housing, transportation and sundries all rose 2.3% over the year; and apparel prices increased 1.6%.

All of the food groups registered advances, with meats and "other foods at home" recording the largest increases. The 5.0% rise in meat, poultry and fish was the result of an over-all increase in all meats, especially pork which rose 15.9%. The "other foods at home" group rose 5.5% over the year, with coffee prices showing the largest increase—12.3%. Fruits and vegetables cost 3.3% more than in February, 1956; cereal and bakery products advanced 2.7%; and dairy products and eggs rose 0.3%.

The 2.3% increase in housing reflects higher prices in all of its component parts. Fuel, power and water were up 2.8%, other household operations 2.6% and rent 1.7%.

Apparel, as already indicated, registered the smallest yearly increase of the five commodity groups. Men's and women's clothing prices rose 2.4% and 0.3% respectively, with clothing materials and services advancing 3.4%.

The 2.3% increases in transportation and sundries were caused by rises in all of their major parts.

The purchasing value of the dollar was 2.4% lower than in February, 1956.

LOCAL TRANSPORTATION COSTS

During the last few years, when prices of many goods were relatively stable, local transit fares continued to rise. By January, 1957, the local transportation index for the United States had advanced 18.9% above the 1953 level.[1] Over the same period, the total

[1] The over-all transportation index is made up of two subgroups: "owned" and "public" transportation. This article is concerned only with the public subgroup and its two component indexes—"local" and "intercity" transportation.

Consumer Price Index—United States

Cities over 50,000 population
1953 = 100

	ALL ITEMS	FOOD: Total	FOOD: Meat, Fish, Poultry	FOOD: Cereal, Bakery Products	FOOD: Dairy Products, Eggs	FOOD: Fruits, Vegetables	FOOD: Other Food at Home	HOUSING: Total	HOUSING: Rent	HOUSING: Fuel, Power, Water: Total	HOUSING: Fuel, Power, Water: Gas	HOUSING: Fuel, Power, Water: Electricity
1955 August	100.3	98.2	94.5	104.7	94.5	99.1	104.7	101.5	106.2	101.8	104.2	101.7
September	100.5	98.5	94.9	104.8	96.4	97.4	105.1	101.6	106.3	102.1	104.5	101.7
October	100.7	98.6	94.0	104.8	97.4	97.7	105.5	101.9	106.5	102.6	104.5	101.8
November	100.7	98.0	91.7	104.4	97.7	98.0	105.6	102.0	106.6	102.9	105.0	101.8
December	101.0	97.9	89.9	104.4	98.3	99.7	105.9	102.1	106.8	103.2	105.3	101.8
1955 Annual Average	100.3	98.3	93.8	104.4	94.5	99.8	106.2	101.5	106.1	102.7	105.2	101.4
1956 January	101.1	97.5	88.4	104.9	98.5	99.7	105.7	102.2	106.8	105.0r	108.9r	101.9
February	101.1	97.3	88.0	104.9	96.9	101.5	105.3	102.4	107.1	105.6r	108.9r	101.9
March	101.1	97.0	87.4	104.9	96.0	101.7	105.8	102.6	107.2	105.7r	108.9r	102.0
April	101.0	97.0	87.2	104.9	94.7	102.4	106.4	102.6	107.5	105.7r	109.1r	102.0
May	101.2	97.7	88.5	105.0	94.4	105.6	106.7	102.6	107.6	105.3r	109.1r	102.0
June	101.7	99.2	89.9	105.3	94.3	112.1	107.4	102.7	107.7	105.3r	108.9r	102.0
July	102.1	100.1	90.9	105.5	95.1	114.2	108.0	102.8	107.9	103.9	106.0	102.0
August	102.3	100.4	92.5	105.7	96.5	110.8	108.5	103.0	108.0	104.0	106.1	102.0
September	102.4	100.3	93.6	105.8	97.4	105.8	109.1	103.3	108.1	104.3	106.5	102.0
October	102.7	100.8	95.1	106.4	99.0	102.7	109.7	103.4	108.4	104.7	106.5	102.4
November	103.2	100.5	93.5	106.6	99.7	102.1	110.1	103.6	108.5	105.3	106.8	102.4
December	103.2	100.5	92.6	106.8	99.1	103.3	110.4	103.7	108.6	105.5	106.5	102.4
1956 Annual Average	101.9	99.0	90.7	105.6	96.8	105.2	107.8	102.9	107.8	105.0r	107.7r	102.1
1957 January	103.4	100.2	91.7	107.1	97.8	104.1	110.8	104.5	108.7	107.8	109.5	102.2
February	103.6	100.5	92.4	107.7	97.2	104.8	111.1	104.8	108.9	108.6	109.5	102.2

	HOUSING (continued): Furnishings, Equipment	HOUSING (continued): Other Household Operations	APPAREL: Total	APPAREL: Men's Apparel	APPAREL: Women's Apparel	TRANSPORTATION	SUNDRIES	PURCHASING VALUE OF DOLLAR	REBASED INDEXES: All Items (January 1939=100)	REBASED INDEXES: Purchasing Value of January, 1939 Dollar	REBASED INDEXES: All Items (1947-49 = 100)
1955 August	98.3	101.0	99.2	99.6	98.5	100.6	102.3	99.7	182.2	54.9	114.2
September	98.4	101.2	99.3	99.7	98.6	100.9	102.6	99.5	182.5	54.8	114.4
October	98.7	101.4	99.4	99.6	98.7	101.3	102.7	99.3	182.9	54.7	114.6
November	98.9	101.5	99.3	99.7	98.4	102.9	102.7	99.3	182.9	54.7	114.7
December	99.2	101.7	99.3	99.7	98.3	104.7	102.9	99.0	183.4	54.5	114.9
1955 Annual Average	98.4	100.9	99.0	99.4	98.4	101.1	102.0	99.7	182.2	54.9	114.2
1956 January	99.3	102.0	99.3	99.8	98.0	105.8	103.1	98.9	183.6	54.5	115.0
February	99.5	102.1	99.3	99.9	98.1	105.3	103.4	98.9	183.6	54.5	115.0
March	99.4	102.3	99.4	99.9	98.2	105.1	103.7	98.9	183.6	54.5	115.0
April	99.3	102.2	99.6	100.1	98.3	104.4	103.7	99.0	183.5	54.5	115.0
May	99.1	102.4	99.7	100.3	98.2	104.1	103.8	98.8	183.9	54.4	115.2
June	99.1	102.4	99.9	100.5	98.3	103.9	103.9	98.3	184.7	54.1	115.8
July	99.0	102.8	100.0	100.7	98.2	104.0	104.2	97.9	185.4	53.9	116.2
August	98.9	103.0	100.2	101.1	98.3	103.9	104.5	97.8	185.8	53.8	116.4
September	99.3	103.6	100.3	101.6	98.2	104.1	104.7	97.6	186.0	53.8	116.6
October	99.3	103.6	100.5	101.7	98.3	104.1	105.0	97.4	186.5	53.6	116.9
November	99.5	103.7	100.7	102.0	98.3	107.7	105.2	96.9	187.3	53.4	117.4
December	99.8	103.8	100.7	102.1	98.2	107.9	105.4	96.9	187.5	53.3	117.5
1956 Annual Average	99.3	102.8	100.0	100.8	98.2	105.0	104.2	98.1	185.1	54.0	116.0
1957 January	99.8	104.5	100.8	102.3	98.2	107.8	105.5	96.7	187.8	53.3	117.7
February	100.0	104.8	100.9	102.3	98.4	107.7	105.8	96.5	188.2	53.1	117.9

Consumer Price Index—United States

Annual Averages 1914-1956[a]
1953 = 100

Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar
1914	40.3	248.1	1925	67.8	147.5	1936	54.8	182.5	1947	84.7	118.1
1915	40.0	250.0	1926	68.3	146.4	1937	57.2	174.8	1948	90.1	111.0
1916	43.0	232.6	1927	66.9	149.5	1938	55.7	179.5	1949	88.8	112.6
1917	51.3	194.9	1928	65.9	151.7	1939	55.0	181.8	1950	90.0	111.1
1918	59.5	168.1	1929	65.6	152.4	1940	55.4	180.5	1951	97.0	103.1
1919	67.6	147.9	1930	63.4	157.7	1941	58.3	171.5	1952	99.5	100.5
1920	77.8	128.5	1931	57.0	175.4	1942	64.5	155.0	1953	100.0	100.0
1921	66.8	149.7	1932	50.9	196.5	1943	68.2	146.6	1954	100.2	99.8
1922	63.6	157.2	1933	49.0	204.1	1944	69.1	144.7	1955	100.3	99.7
1923	65.4	152.9	1934	51.8	193.1	1945	70.2	142.5	1956	101.9	98.1
1924	66.1	151.3	1935	53.6	186.6	1946	74.9	133.5			

a Indexes from 1914 through 1919 are for the month of July only and are not annual averages.
r Revised

Consumer Price Indexes for Individual Cities

NOTE: These indexes show changes in consumer prices only. They do NOT show intercity differences in price level or standard of living.

Cities Surveyed Monthly

	1953 = 100			Percentage Changes	
	Feb. 1957	Jan. 1957	Feb. 1956	Jan. 1957 to Feb. 1957	Feb. 1956 to Feb. 1957
Chicago					
All Items	105.8	105.5	103.8	+0.3	+1.9
Food	101.6	101.0	98.6	+0.6	+3.0
Housing	109.7	109.7	107.8	0	+1.8
Apparel	101.0	100.9	100.0	+0.1	+1.0
Transportation	107.2	106.7	106.5	+0.5	+0.7
Sundries	107.9	107.8	106.2	+0.1	+1.6
Houston					
All Items	103.6	103.7	101.0	−0.1	+2.6
Food	101.3	101.6	97.7	−0.3	+3.7
Housing	104.1	103.5	102.3	+0.6	+1.8
Apparel	102.6	102.0	99.6	+0.6	+3.0
Transportation	106.9	108.6	104.3	−1.6	+2.5
Sundries	104.4	104.1	102.1	+0.3	+2.3
Los Angeles					
All Items	103.9	103.6	100.2	+0.3	+3.7
Food	100.6	100.0	96.2	+0.6	+4.6
Housing	104.6	104.6	102.6r	0	+1.9
Apparel	101.2	100.5	99.0	+0.7	+2.2
Transportation	108.1	107.7	103.0	+0.4	+5.0
Sundries	105.5	105.5	102.1	0	+3.3
New York					
All Items	103.7	103.3	100.7	+0.4	+3.0
Food	101.3	100.6	96.6	+0.7	+4.9
Housing	104.7	104.4	103.0	+0.3	+1.7
Apparel	99.1	99.3	97.9	−0.2	+1.2
Transportation	116.9	116.4	111.8	+0.4	+4.6
Sundries	103.8	103.9	101.7	−0.1	+2.1

Cities Surveyed Quarterly

	1953 = 100			Percentage Changes	
	Feb. 1957	Nov. 1956	Feb. 1956	Nov. 1956 to Feb. 1957	Feb. 1956 to Feb. 1957
Akron					
All Items	104.5	104.5	101.2	0	+3.3
Food	101.0	101.2	96.2	−0.2	+5.0
Housing	106.5	105.7	103.3	+0.8	+3.1
Apparel	100.6	100.4	98.1	+0.2	+2.5
Transportation	107.9	109.3	105.6	−1.3	+2.2
Sundries	106.7	106.8	104.4	−0.1	+2.2
Baltimore					
All Items	103.9	103.2	100.7	+0.7	+3.2
Food	99.8	99.4	96.3	+0.4	+3.6
Housing	105.4	103.9	101.9	+1.4	+3.4
Apparel	102.1	101.5	100.5	+0.6	+1.6
Transportation	107.4	109.3	105.0	−1.7	+2.3
Sundries	106.9	105.0	103.0	+1.8	+3.8
Boston					
All Items	103.7	103.2	100.6	+0.5	+3.1
Food	99.2	99.4	96.0	−0.2	+3.3
Housing	106.5	104.7	102.5	+1.7	+3.9
Apparel	100.9	101.0	99.2	−0.1	+1.7
Transportation	105.8	107.4	104.4	−1.5	+1.3
Sundries	106.6	106.1	103.8	+0.5	+2.7
Chattanooga					
All Items	101.6	101.4	99.6	+0.2	+2.0
Food	96.1	96.6	94.3	−0.5	+1.9
Housing	102.0	101.3	100.7	+0.7	+1.3
Apparel	104.6	104.2	101.0	+0.4	+3.6
Transportation	107.5	108.6	105.1	−1.0	+2.3
Sundries	105.1	103.8	103.3	+1.3	+1.7
Dallas					
All Items	102.6	101.8	100.2	+0.8	+2.4
Food	100.0	98.7	96.4	+1.3	+3.7
Housing	102.8	101.6	100.8	+1.2	+2.0
Apparel	101.7	101.2	98.9	+0.5	+2.8
Transportation	104.4	105.7	103.1	−1.2	+1.3
Sundries	104.7	103.5	102.9	+1.2	+1.7
Detroit					
All Items	105.0	104.2	102.5	+0.8	+2.4
Food	103.5	102.8	99.9	+0.7	+3.6
Housing	106.3	105.2	103.9	+1.0	+2.3
Apparel	100.7	100.4	99.8	+0.3	+0.9
Transportation	105.9	106.4	104.7	−0.5	+1.1
Sundries	106.9	105.7	104.7	+1.1	+2.1
Duluth-Superior					
All Items	103.9	103.5	101.1	+0.4	+2.8
Food	100.2	99.9	97.2	+0.3	+3.1
Housing	106.0	104.6	103.5	+1.3	+2.4
Apparel	100.0	100.3	98.0	−0.3	+2.0
Transportation	107.0	108.1	104.5	−1.0	+2.4
Sundries	106.3	105.6	102.4	+0.7	+3.8
Richmond					
All Items	102.5	101.8	100.8	+0.7	+1.7
Food	98.4	97.1	96.2	+1.3	+2.3
Housing	104.6	103.0	102.4	+1.6	+2.1
Apparel	101.0	101.1	99.5	−0.1	+1.5
Transportation	105.6	106.8	104.2	−1.1	+1.3
Sundries	104.4	103.7	103.6	+0.7	+0.8
Rochester					
All Items	103.6	102.8	101.1	+0.8	+2.5
Food	102.5	101.9	99.5	+0.6	+3.0
Housing	103.4	102.1	100.9	+1.3	+2.5
Apparel	101.0	100.3	98.6	+0.7	+2.4
Transportation	105.6	106.0	103.8	−0.4	+1.7
Sundries	106.0	104.7	103.3	+1.2	+2.6
St. Louis					
All Items	102.5	102.1	100.3	+0.4	+2.2
Food	99.5	98.9	96.8	+0.6	+2.8
Housing	103.3	102.6	101.4	+0.7	+1.9
Apparel	102.3	102.1	99.6	+0.2	+2.7
Transportation	105.1	106.5	104.4	−1.3	+0.7
Sundries	104.5	103.4	102.0	+1.1	+2.5
San Francisco-Oakland					
All Items	104.8	104.1	102.0	+0.7	+2.7
Food	102.7	102.2	99.5	+0.5	+3.2
Housing	104.7	103.7	102.8	+1.0	+1.8
Apparel	101.7	101.5	100.5	+0.2	+1.2
Transportation	105.2	105.3	103.1	−0.1	+2.0
Sundries	109.5	107.8	104.5	+1.6	+4.8
Wilmington					
All Items	103.3	102.5	100.8	+0.8	+2.5
Food	98.5	98.5	94.6	0	+4.1
Housing	105.2	103.2	103.0	+1.9	+2.1
Apparel	100.5	100.4	101.3	+0.1	−0.8
Transportation	107.4	106.5	104.2	+0.8	+3.1
Sundries	106.6	106.3	104.1	+0.3	+2.4

r Revised

public transportation index rose 16.0%, while the other subgroup, intercity transportation, was only 5.3% higher.

Because of its relatively greater importance, local transportation has had more effect on the movement of the public transportation index than the intercity subgroup. Chart 1 shows the parallel upward trends of the local transportation subgroup and the total public transportation index. In April and June, 1954, the public transportation index dropped slightly when the reduction in federal excise taxes caused intercity transit rates to dip below their 1953 level.[1] However, after this period the total public transportation index continued to climb at a steady pace along with local transportation costs. From January, 1954, to January, 1955, local fares rose 6.0%, while the total index rose 4.3%. In the following year, however, neither moved ahead at this pace. Local rates were up 3.2%, and the total rates were up 2.7%. Between January, 1956, and January, 1957, total public transportation rates rose 3.7%, while local rates climbed 3.2%. This was the first time in this period that the increase in the subgroup was less than the increase in the total index.

The Forty-City Picture

Between 1953 and January, 1957, local transit fares had increased in thirty-five of the forty cities that comprise THE CONFERENCE BOARD's consumer price index. Increases ranged from 4.1% in San Francisco to 39.5% in Roanoke. No changes in local public transportation rates occurred during this period in Dallas, Detroit, Indianapolis, New Orleans and Pittsburgh.

The accompanying table, which groups the cities by the amount of increase, shows that the largest number fall in the 10%-to-19% range. Ten cities fall within the 0%-to-9% range, and eleven are in the 20%-to-29% grouping. And in five cities, transit costs increased more than 30%.

Half of the fourteen cities in the 10%-19% range had an 11% increase in fares. And in seven of the eleven cities in the 20%-29% group, local rates rose 20%.

The table also shows that in twenty-four cities the cost of local transportation ranged from no increase to a 19% rise. And in sixteen cities the rise was from 20% to 39%. The increases cannot be explained in terms of geographical location or population. Although increased local transit fares in the four West Coast cities (Los Angeles, San Francisco, Portland, and Seattle) all fall within the 0%-19% range, changes in other areas of the country are spread throughout the entire range. And even in the West Coast cities, the difference between San Francisco's increase of 4.1% and Seattle's 12.6% is fairly substantial.

The large eastern cities, such as Newark—N.E. N.J., Philadelphia and New York, had increases of 20% or more. However, Boston only rose 11.2%, and Pittsburgh's fares never changed. In the heavily populated midwestern cities, such as Chicago, Detroit and St. Louis, local transit costs ranged from no increase to a 19% rise. Smaller cities, such as Duluth and Akron, showed very large increases of 20% or more, while several other cities in the same areas did not have such large increases in their fares. Changes in rates in the South ranged from 0% in New Orleans to 39.5% in Roanoke.

Change in Local Transit Fares, 1953 to January, 1957
1953=100

Range of Increase	Surveyed Cities	Surveyed Cities
0- 9%	Dallas Detroit Indianapolis Kansas City Lansing	Minneapolis-St. Paul New Orleans Pittsburgh Rochester San Francisco-Oakland
10-19%	Baltimore Birmingham Boston Chicago Cincinnati Evansville Grand Rapids	Houston Los Angeles Milwaukee Portland, Ore. St. Louis Seattle Wilmington
20-29%	Atlanta Bridgeport Chattanooga Cleveland Denver Erie	Huntington-Ashland Newark-N.E. N. J. Philadelphia Richmond Syracuse
30-39%	Akron Des Moines Duluth	New York Roanoke

[1] The decrease in the federal excise tax was recorded in the national and city indexes in April, May and June, according to the quarterly pricing cycles of the cities. In May, 1954, increased local transit fares outweighed the drop in intercity rates.

Chart 1: Public Transportation and Local Transportation Indexes

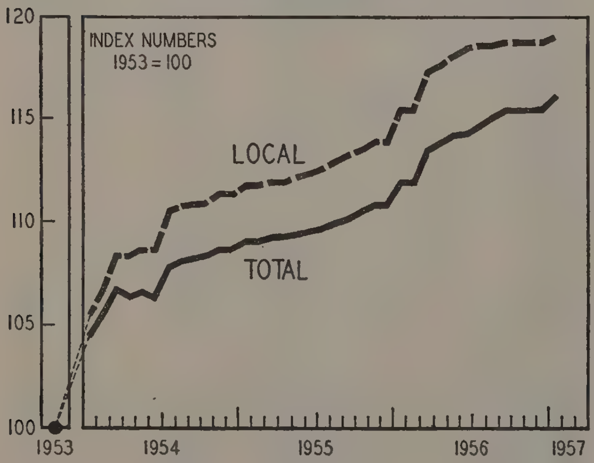
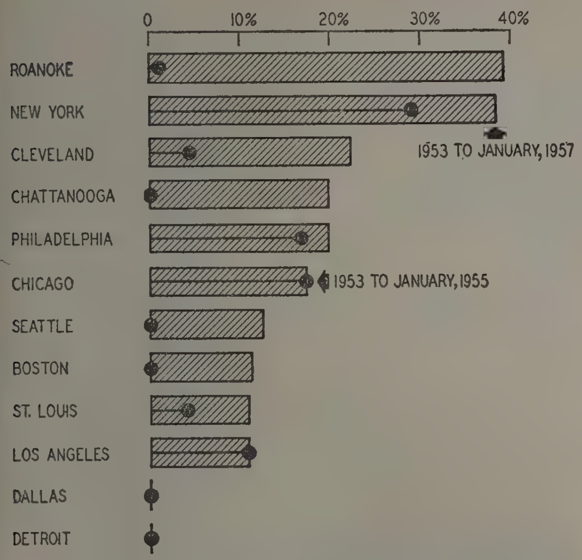


Chart 2: Per Cent Changes in Local Transportation



A Close-up of Twelve Cities

To determine whether or not local transit fares had increased during any particular time in the period from 1953 to January, 1957, twelve cities were selected as representative of the variety of changes that occurred in the forty cities. Chart 2 shows the over-all change for this period, and the amount of change that occurred between 1953 and January, 1955.

Ten of the twelve cities show increases for the over-all period; and seven of the ten had registered advances in transit fares by January, 1955. In Chicago, Los Angeles, Philadelphia and New York, the larger proportion of the total increase had taken place by this time. And the entire increase of 11.1% in Los Angeles and 17.6% in Chicago came in this earlier period. Local transit fares in Philadelphia rose 16.7% in the early period and 2.9% after January, 1955. New York rates rose 29.2% during 1953–January, 1955, and 7.1% from January, 1955, to January, 1957.

In the six smaller cities, local rates advanced more during the latter period. Boston, Seattle and Chattanooga fares, which went up 11.2%, 12.6% and 20.0%, all started to rise after January, 1955. St. Louis fares rose 4.4% from 1953 to January, 1955, and increased 6.4% more in the following two years. Cleveland fares were 4.9% higher than the 1953 level in January, 1955; but a substantially larger increase occurred from January, 1955, to January, 1957, when transit costs rose 16.7%. Rates in Roanoke increased only 1.1% from 1953 to January, 1955. However, Roanoke, which showed by far the greatest over-all rise of all the cities, registered transit fare increases of 38.0% from January, 1955, to January, 1957.

As has already been stated, the four larger cities in this group of twelve were the first to increase their fares. However, Detroit, which is a highly populated city, did not have an increase over the entire period. Perhaps a more decisive factor than size is the actual amount of the city transit fare in 1953, as well as the local conditions in each city. For example, Los Angeles fares in 1953 were more than Roanoke's; and in spite of the comparatively smaller increase, they still remain above Roanoke's rates. And Detroit's fares in 1953 were even higher than New York's in January, 1957.

ZOE CAMPBELL
Division of Consumer Economics

Bargaining Books

(Continued from page 121)

changes are not anticipated. This is done so that they can easily insert any unexpected union demands.

Book Based on Union Demands

When union demands become known, a company is in a position to prepare a bargaining book based upon specific proposals. After its first meeting with the union, a company with over 5,000 employees drew up the bargaining book illustrated in Example E.

This type of bargaining book greatly aids in comparing the old agreement, the union's proposal, and the company's proposal. It also provides some room at the bottom of the page for comments on the importance of the particular proposals to the company.

A large oil company uses as part of its bargaining book a set of worksheets that include not only the above features but three additional columns as well —one for stating the union's reasons for desiring a change, the second for stating the company's reasons for its changes, and a third to write in the wording of the clause that is finally agreed upon by both parties.

More Complex Bargaining Books

Companies with 5,000 or more employees usually use bargaining books or files that include a great deal more information than the examples above. For instance, if a union has repeatedly bargained for a certain item, some large companies may include in their bargaining books a history of previous negotiations on the subject. Companies say this procedure helps to acquaint newer members of the management bargaining team with past negotiations, company policies, problems, and past agreements on the item. In addition, this type of bargaining book usually includes grievances that have arisen under the clause and their disposition, as well as any union-management correspondence relating to the particular clause.

Example D: Bargaining Book that Anticipates Union Demands

Applicable Section	Anticipated Union Demand	Company's Position	Estimated Cost
Grievance supplement	Eliminate this supplement or provide fixed amount of time each committeeman and steward may spend during working hours on grievances, union business, etc.	Must be retained. See pages 59 and 60 of detailed analysis for facts, figures and area practice. No possible control of time spent by union representatives on "alleged union business." Past experience entirely unsatisfactory and extremely costly.	With 60 committeemen and stewards involved, the cost in wages, loss of production and other factors is estimated at \$60,000 to \$75,000 minimum per year—using 2 hours per week per man allowance.
Article III: Apprentices	Participation in apprentice program.	Definitely no change.	

Example E: Bargaining Book Based on Specified Union Proposals

Article IV. Holidays

Section 2: To be eligible for a holiday or holiday pay, an employee must have worked any part of two weeks prior to the holiday, and must not be absent during the holiday week unless such absence is excused, and must work all overtime scheduled the holiday week. Employees who may be required to work overtime shall be notified one day in advance of such scheduled overtime.

Union Proposals	Company Proposals
Section 2: Change section as follows: Employees shall be notified one day in advance of scheduled overtime. As overtime is not compulsory employees will not be penalized for refusal to work overtime.	Section 2: Add—must work the day before and the day after the holiday.

Comments:

Section 2: Overtime absolutely necessary at warehouse, particularly prior to Christmas.

* * *

Article XV: Promotions

Section 2: In cases of reclassification due to promotion, ability, efficiency and qualifications of the employee for the job to which he is reclassified or promoted will be given prime consideration. Where ability, efficiency and accomplishments are fairly equal between two or more employees who merit promotion and who are able to do the job as required, length of service with the employer shall govern.

Union Proposals	Company Proposals
Section 2: Change to: The employer agrees to promote by strict seniority provided the senior employee so promoted can fill the job required as defined in the job description.	Section 2: Change to: In cases of promotions to open jobs, ability, efficiency, and qualifications of the employee for the job will be given prime consideration. Where ability, efficiency and accomplishments are fairly equal between two or more employees who merit promotion, length of service with the employer shall govern.

Comments:

Section 2: Under no circumstances should we modify this section so that an employee only has to do the job as required.

Example F: Bargaining Book Containing a Chronological Account of Discussions

Article VII: Waiting Time

1. Each employee, when engaged in piecework, shall be paid at his hourly date rate when compelled to wait for work twelve minutes or longer at any one time.

Union Proposal No. 6 — Change twelve minutes to six minutes

Contract Negotiating Meeting No. 1 — January 26th

Union: Change twelve minutes to six minutes. The union feels that there can be a lot of down time of nine, ten, or eleven minutes which can amount up to as much as thirty minutes in a day. This proposal pertains mainly to job interruptions due to dies and tool trouble, etc., and not so much to the ringing in and out on a new job.

Contract Negotiating Meeting No. 3 — February 2nd

Union: There is a lot of down time of less than six minutes. In a week's time these six minutes add up to quite a loss of pay.

Company: The point we are trying to understand, and are concerned with, is the amount of recurrence or the seriousness of this problem. Is it excessive? Are there a lot of cases we don't hear about?

Union: We feel that there are a lot of cases that do not come up due to the clause being in the contract. We feel that the company has been very fair in settling any disputes that have come up.

Company: In the original contract the down time was set at fifteen minutes but then when we changed to continental time keeping (tenths of hours) then the fifteen minutes was reduced to two tenths, or twelve minutes.

Union: The change was made from fifteen to twelve rather than from fifteen to eighteen. But the way it is set up it does hurt on down time.

Company: We feel that the company has been fair in operating the system. The company is desirous of not seeing anyone be hurt. The Grace Jones case is a good example.

Contract Negotiating Meeting No. 6 — February 9th

Company: Our understanding of the issue is this: Concerning union proposal No. 6 — we tried to point out the difficulty of administration. The union suggested a pass for further consideration last time.

Chronological Accounts of Discussions

Other bargaining books may include a chronological, item-by-item account of discussions during the negotiations. At times, negotiators using such a format may record in the bargaining book an almost verbatim account of contract discussions. Questions and answers as to intent and interpretation of an item, as well as examples, may be included. Or if a summary method is desired, provision must be made to insure that an accurate digest of discussions is added to the bargaining book or file after each negotiating session. Example F illustrates how one company handles a chronological account of the highlights of a union-management discussion dealing with one particular section of the contract.

Many bargaining books include an almost encyclopedic table of contents. The following description, made by an executive of a utility company, gives some idea of the many different kinds of information which may be found in the more elaborate bargaining books:

> Part one includes a statement of the demands by both parties and a summary of the cost of each demand by each party.
>
> The second section includes an analysis of recent trends in industrial employee earnings and in wage increases throughout major industries.
>
> A third section reviews wage adjustments and comparative wage rates throughout the industry of which this company is a part. Thus weighted average rates are compared, as well as those for certain key jobs; and wage increases for the interval since World War II are also compared.
>
> A fourth section compares trends in the cost of fringe benefits in this company, with those in other companies of the industry and other companies in the service area.
>
> A fifth section deals with cost of living data, comparing trends in the cost of living with trends in employee earnings.
>
> A sixth section analyzes payroll statistical information for the company.
>
> A seventh section analyzes each item of the union's demands. It compares the practice the union is asking for with practices in other companies within the industry. It reviews the cost of the union's demand, as well as various possible compromises. It may also include information dealing with comparable practices in other industries.
>
> An eighth section analyzes each item of the company's demands as to practices elsewhere and the estimated cost or saving.
>
> A ninth section presents pertinent statistical data about other companies whose rate information or practices the union may quote.

Two examples of the tables of contents of other bargaining books serve further to illustrate the mass of information accumulated by some companies. Example A, on page 119, is taken from a bargaining book of a large, multiplant company. This company sets up separate bargaining books for each section of the contract. The example chosen deals with the "normal workday and normal workweek" clause. Note that this book includes both the anticipated union proposals and the actual proposals when they become known. Because of this, company officials can prepare most of the book in advance, and do not have to wait until they get the actual union proposals.

Example G is taken from a bargaining book of another large, multiplant organization. As in the previous example, this company also prepares separate books for each section of the contract. This example illustrates the index of the book that deals with recognition and coverage of certain classes of employees.

Example G: Index of One Bargaining Book of a Multiplant Company

Article I, Section 1

Recognition

I: Contract History (includes original wording and comments on changes as they occurred)
- A. Original agreement
- B. 1945 agreement
- C. 1946 agreement
- D. etc. etc.
- E. 1955 agreement

II: Comparisons with other Companies in Industry
- A. Company X
  - 1. Similarities and differences
  - 2. Comments
- B. Company Y, Z, etc.
  - 1. Similarities and differences
  - 2. Comments

III: National Labor Relations Board Practices
- A. General
- B. Supervisors
- C. Guards
- D. Professional employees
- E. Confidential employees
- F. Office and plant clericals
- G. Technical employees

IV: Experience
- A. Grievance experience
- B. Operational experience

V: Recommended Company Positions
- A. Demand exclusion of all office and plant clericals
- B. Demand exclusions on individual basis
- C. Status quo

VI: Anticipated Union Demands and Rebuttal
- A. Substitute for "saving clause"
- B. Superintendent's clerks

VII: Exhibits
- A. Excluded departments and classifications
- B. Bargaining unit descriptions for
  - 1. Plant A
  - 2. Plant B
  - 3. Plant C, etc.

James J. Bambrick, Jr.
Marie P. Dorbandt
Division of Personnel Administration

Group Insurance

(Continued from page 117)

share of net premium (i.e., premium after dividends) paid by the company for those plans that are financed jointly by company-worker contributions.

As already indicated, in two-thirds of the companies with contributory plans, all dividends go to the company. So, assuming there are dividends, the company's share of the net premium in these plans will always be smaller than its share of the unadjusted advance premium. In other words, in these plans the employee's contribution is stated in terms of a fixed dollar amount. The merits of this arrangement are described by one of the cooperating companies as follows:

> "Our plan, as negotiated with various unions, provides specifically that any dividends will be used to reduce the company's cost. We believe there are many advantages to providing benefits at a fixed cost to the employee, with the company taking the risk and paying all costs above the employee contribution rate. The problems are increased materially where negotiations with unions are on the basis of the company's contribution to the benefit program. It is very difficult to predict costs of employee insurance programs with any degree of accuracy, and such costs can be the subject of a great deal of argument during union negotiations. We believe it is much better to base the negotiations purely on benefits and employee contributions for such benefits. Furthermore, the employer then has the incentive to administer the program, and there is no doubt that good administration does tend to reduce costs. We have many examples where ineffective administration can double the cost of accident and sickness insurance. Furthermore, by negotiating benefits and providing that the company will pay all costs above the employee contributions, all problems regarding distribution of any so-called dividends are eliminated."

In companies that pass a part of the premium adjustments on to the employees, the company's share of the net premium depends primarily on the proportion of total dividends that are distributed to employees. The company's share also depends on the form in which the dividends are distributed to workers. For instance, if all dividends are distributed as increased benefits, then the company's share of the net premium will be the same as its share of the gross premium.

The company's share of the premium for contributory plans, after all of these dividend adjustments have been worked out, is shown in Table 2.[1]

The patterns of the companies' share of the premiums are practically identical for each type of coverage shown. This is due primarily to the fact that about half of the companies pay the same part of the premium for every kind of benefit provided by their company.

The most common form of joint sharing of costs is fifty-fifty. Roughly 40% of the contributory plans for each type of benefit are financed by the company paying half and the employee paying half of the net premium. In roughly one-third of the contributory plans, the company pays more than half; and in about one-quarter, the company pays less than half of the net premium.

Although not shown, dependents' premiums under insured medical plans and Blue Cross are shared in the same way as the premium for employee benefits. Exceptions include six Blue Cross plans and seven insured plans where the employee pays all of the dependent's premium, and three insured plans where the company pays a smaller part of the dependent's premium.

Harland Fox
Division of Personnel Administration

[1] It should be noted that many answers are only approximations. Companies were asked only for estimates if relatively precise data were not readily available. Furthermore, when the company retains the entire premium adjustment, net costs may vary considerably from year to year or among separate groups. In these cases, the company data are averages.

Table 2: Company Share (after Dividends) of Jointly Paid Group Insurance Premiums, 1957

	Life Insurance		Accidental Death & Dismemberment		Insured Disability Pay		Insured Hospital Benefits (Employees)		Blue Cross-Blue Shield (Employees)	
Company Share of Net Premium	No. of Co's	% of Co's	No. of Co's	% of Co's	No. of Co's	% of Co's	No. of Co's	% of Co's	No. of Co's	% of Co's
Total plans	*96*	*100%*	*54*	*100%*	*72*	*100%*	*62*	*100%*	*18*	*100%*
90%-99%	—	—	—	—	1	1	2	3	—	—
80 -89	2	2	2	4	2	3	2	3	1	5
70 -79	12	13	4	7	3	4	7	11	3	17
60 -69	10	10	8	15	12	17	8	13	1	5
51 -59	5	5	5	9	4	6	4	6	2	11
50%	36	39	23	43	32	44	24	39	10	57
40 -49	9	9	5	9	7	10	9	15	1	5
30 -39	11	11	4	7	6	8	5	8	—	—
20 -29	6	6	3	6	4	6	1	2	—	—
10 -19	4	4	—	—	1	1	—	—	—	—
1 - 9	1	1	—	—	—	—	—	—	—	—

Wage Adjustment Highlights

Nonoperating Railroad Unions Get SUB

The Chicago and North Western Railway Company has concluded an agreement with nonoperating railroad unions which grants supplemental unemployment benefits. Briefly, the agreement provides that an eligible laid-off employee with at least two years' service will receive benefits equal to 60% of his base pay for a maximum of twenty-six weeks. Total daily benefits, including benefits under the Railroad Unemployment Insurance Act, cannot exceed $10.20. Also, eligible employees with at least fifteen years' service may receive an additional twenty-six weeks of benefits during the life of the three-year agreement, which is retroactive to March 8, 1956.

The agreement does not specify how the plan is to be financed—whether it will be funded or set up on a pay-as-you-go basis. Supplemental unemployment benefits was the only item at issue in the negotiations.

Wage Rates Increased More than 5% in TVA Adjustment

The Tennessee Valley Authority and the Tennessee Trades and Labor Council have agreed to a 5.36% wage increase. The purpose of the increase is to establish rates of pay for TVA employees that are on a par with prevailing rates in the vicinity. In terms of hourly adjustments, increases for construction employees range from 5 cents an hour for plasterers to 22.5 cents an hour for bricklayers and machinists. Annual rates of pay for trades and labor employees on maintenance and operating work also were increased. Journeymen in most trades received an annual increase of $300 and laborers received $210.

Fringe benefits included in the agreement consist of an increased company contribution to a health and welfare fund and an increased daily transportation allowance.

The new wage scale, effective throughout 1957, involves about 8,000 employees. Some 3,000 are construction employees on hourly rates and about 5,000 are operating and maintenance employees on annual rates.

Reduction of Workweek for Dairy Workers' Union

A reduction in the workweek—combined with an increase in weekly earnings—is the principal change involved in a settlement between the Michigan Milk Producers' Association and the United Dairy Workers, affiliated with the Retail, Wholesale and Department Store Union, AFL-CIO. For truck drivers, the scheduled workweek has been reduced from sixty hours to fifty-six hours; and time and a half continues to be paid for all hours over forty. Other employees covered by the agreement will have their workweek reduced from forty-eight hours to forty-four hours for the first six months of the contract, after which hours will be further reduced to forty.

These reductions in hours are more than offset by hourly rate increases, so that there is actually an increase in weekly earnings. For example, station helpers previously were paid $1.85 an hour for a forty-eight hour week or $88.80 per week. Now they are paid $2.09 per hour for a forty-four hour week or $91.96 per week. When they transfer to the forty-hour week they will receive $2.41 per hour, or $96.40 per week.

The new contract also includes a cost of living adjustment clause which becomes effective in April, 1958. This contract runs until January, 1959.

Uniform Commission Rates Negotiated for Salesmen-drivers

A five-year contract negotiated by Omar Incorporated with the Teamsters' union, AFL-CIO, will establish, by the end of the contract period, uniform commission rates for some 1,700 retail salesmen-drivers. These salesmen, in fifty different branch locations, were previously covered under twenty-nine different short-term contracts. The uniform rate was achieved even though it will result in reducing actual rates in one area. Over the five-year period, salesmen in most localities will get commission increases of 1%. But in some areas, a net increase of .5% is realized, and in one locality there is a net decrease of 3%. By the fifth year of the contract, a uniform commission of 21% will be effective for all salesmen.

Among the fringe benefits that accrue from the adjustment is a provision for protecting the individual salesman's sales volume, and consequently his earnings, when he is on leave. Company-paid insurance and pensions, improved vacations, a five-day workweek, and a shorter working day are other features in the fringe area. By the end of the five-year contract, all fringes as well as commissions will be uniform for all salesmen covered by the agreement.

Settlement Pay Negotiated by Canadian Firm

In Canada, Polymer Corporation Limited, in an agreement with the Oil, Chemical and Atomic Workers, agreed to "settlement pay" in addition to a gen-

(Text continued on page 152)

Wage Adjustments Announced Prior to March 15, 1957

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Chemicals and Allied Products				
Foster-Grant Company Leominster, Mass. *Retail, Wholesale and Department Store Union, AFL-CIO—WE* *No union—S*	1,000 WE *n.a.* S 11-1-56	$.06 per hr. av.—WE & S	(1) Blue Cross and Blue Shield benefits to retired employees (2) Triple time for hols. worked	Result of contract expiration. Contract term—1 yr.—WE Tandem adj.—S
Taylor Fibre Company Norristown, Pa. *Textile Workers, AFL-CIO*	400 WE 1-1-57	$.08 per hr., add'l $.07 per hr. 1-1-58	(1) Noncontributory hospitalization and medical-surgical extended to dependents (2) Weekly accident and health benefits increased to $35 from $30	Result of contract expiration. Contract term—2 yrs.
Construction				
Associated Building Contractors of Owensboro Owensboro, Ky. and vicinity *Carpenters and Joiners, AFL-CIO*	250 WE 1-1-57	$.10 per hr., add'l $.10 per hr. 1958, and $.05 per hr. 1959	None	Result of contract expiration. Contract term—3 yrs.
Associated General Contractors of America, Inc. Seattle, Wash. *Operating Engineers, AFL-CIO*	5,000 WE 1-1-57	6% general ($.18 per hr., includes $.10 per hr. in pensions)	See amount of adjustment	Result of contract expiration. Contract term—2 yrs.
Electrical Machinery				
Sonotone Corporation Elmsford, N. Y. *IUE, AFL-CIO*	600 WE 1-1-57 200 S 9-16-56	$.06 per hr., add'l $.05 per hr. 1958 and 1959—WE 3.9%; add'l 3% 1957 and 1958—S	(1) New major medical plan (2) Full hol. on Christmas Eve	Result of contract expiration. Contract term—3 yrs.
Warwick Manufacturing Company Zion, Ill. *IUE, AFL-CIO—WE* *No union—S*	850 WE 12-8-56 200 S 3-1-57	$.11 per hr.—WE	(1) Improved ins., including hospitalization, group life, major medical, accident and sickness effective 1-1-57—WE & S (2) Add'l life ins. and maternity benefits—S	Result of contract expiration. Contract term—2 yrs.—WE Tandem adj.—S
Food and Allied Products				
General Mills, Inc.	153 WE		*n.a.*	*n.a.*
Bluefield, W. Va.; Minneapolis, Minn.; Ogden, Utah	Mine Workers 2-11-57	$.02 per hr.		
United Mine Workers, ind.; Building Service Employees, Operating Engineers, and Grain Millers—all AFL-CIO	Bldg. Service Employees (in general offices) 3-1-57	$.0628 av.		
	Bldg. Service Employees (in research dept.) 4-1-57	$.0879 av., add'l $.0784 av. 4-1-58		
	Operating Engineers 5-1-57	$.11 per hr., add'l $.10 per hr. 5-1-58		
	Grain Millers 9-1-56	$.102 per hr., add'l $.075 per hr. 9-1-57		

Wage Adjustments Announced Prior to March 15, 1957—Continued

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Michigan Milk Producers Assn. Detroit, Mich. *United Dairy Workers (RWDSU), AFL-CIO*	98 WE 1-6-57	See fringe benefits	(1) Workweek for truck drivers reduced to 56 hrs. with 1.5 times pay after 40 hrs., with no reduction in gross earnings (formerly 60 hrs. at 1.5 times pay after 40 hrs.) Workweek for all others reduced to 44 hrs. for first 6 mos. and further reduced to 40 hrs. for remaining 18 mos. of contract (workweek formerly 48 hrs.) (2) Cost of living adjustment eff. 4-1-58 provides $.01 per hr. for each .5% change in BLS-CPI	Result of contract expiration. Contract term—2 yrs.
Leather and Leather Products				
A. C. Lawrence Leather Company Peabody, Mass. *Leather Workers, AFL-CIO*	1,300 WE 12-3-56	$.07 per hr.	None	Result of wage reopening
Machinery (except Electrical)				
Davey Compressors Kent, Ohio *UAW, AFL-CIO*	150 WE 50 S 1-11-57	5%	None	Result of wage reopening Contract term—1 yr.
Food Machinery and Chemical Corp. Green Bay, Wis. *Hudson Sharp Employees' Association, ind.*	184 WE 2-15-57	3.3% ($.048 to $.067 per hr.) plus 5% bonus frozen in	*n.a.*	Result of wage reopening Contract expires 1-2-59
Riverside, Cal. *Machinists, AFL-CIO*	792 WE 4-27-57	5% ($.103 per hr. av.), 6 lower steps in 3 bottom grades eliminated; add'l $.07 per hr. 5-1-57	*n.a.*	Contract expires 5-1-57
Philadelphia, Pa. *Employees' Association, ind.*	147 WE 4-1-57	$.068 per hr. av.	(1) Increased company contribution to Blue Cross (2) Improved group life ins.	Contract expires 3-31-57
Palmer Manufacturing Company Phoenix, Ariz. *UAW, AFL-CIO*	210 WE 1-14-57	$.06 per hr., add'l $.04 per hr. 1958 and 1959—incentive workers; $.07 per hr., add'l $.05 per hr. in 1958 and 1959—non-incentive workers	(1) Improved group ins. (2) Cost of living escalator provision with a ceiling of $.04 during any 1 contract year	Result of contract expiration. Contract term—3 yrs.
Paper and Allied Products				
Fonda Container Company, Inc. St. Albans, Vt. *Pulp, Sulphite and Paper Mill Workers, AFL-CIO—WE* *n.a.—S*	160 WE 40 S 1-1-57	$.07 per hr.—WE $2 to $6 per wk.—S	(1) 1.5 times pay after 8-hr. day—WE & S (2) Improved vacation: 2 wks. after 2 yrs. (formerly after 3 yrs.)—WE & S	Result of contract expiration Contract term—1 yr.
Hercules Box Company Columbus, Ohio *Paperworkers, AFL-CIO—WE* *n.a.—S*	200 WE 30 S 1-1-57	6% ($.10 per hr. min.)—WE & S	None	Result of contract expiration Contract term—1 yr.

Company and Union(s)	Approximate No. and Type of Employees Affected:* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Primary Metal Products				
National Malleable & Steel Castings Co. Phoenix, Ariz. *Steelworkers, AFL-CIO*	290 WE 40 S 1-2-57	$.12 per hr.—WE $25 per mo.—S	Pension plan to be prepared in time for adoption 1-2-58	Result of wage reopening Contract expires 1-2-58
Public Utilities—Government				
Tennessee Valley Authority Tenn., Ky., Va., Ala., Miss., N. C., and Ga. *Tennessee Trades and Labor Council, AFL-CIO*	8,000 WE 12-56	5.36%	(1) Daily transportation allowance increased (2) Increased company contribution to health and welfare fund	Result of wage reopening Contract expires fall, 1957
Real Estate				
Midtown Realty Owners Association, Inc. New York, N. Y. *Building Service Employees, AFL-CIO*	2,200 WE 2-4-57	$.075 per hr.	Pension plan established	Result of contract expiration Contract term—3 yrs.
Retail Trade				
Omar Incorporated 50 branch locations in Ohio, Ind., Ill., Wis., Neb., and Ia. *Teamsters, AFL-CIO*	1,700 S 12-16-56	Commission rates adjusted to achieve uniformity over the 5-yr. period. The commission increase in most localities is 1% over the contract period, with a few localities receiving a .5% increase and one a net decrease of 3%	(1) Noncontributory health, welfare and ins. plan (2) Improved vacation benefits (3) Noncontributory pension plan (4) Provision for 5-day wk. with paid days off in all but vacation mos. (5) Provision for reduction of daily working hrs.	Result of contract expiration Contract term—5 yrs.
Services				
American Broadcasting Co. Columbia Broadcasting System, Inc. General Teleradio Div., RKO Teleradio Pictures, Inc. Mutual Broadcasting System, Inc. National Broadcasting Co., Inc. WGN, Inc. WLS, Inc. New York, N. Y.; Chicago, Ill.; San Francisco and Los Angeles, Cal. *Television and Radio Artists (AFTRA), AFL-CIO*	12,000-15,000 S 11-16-56 (signed 2-7-57)	10% increase in min. rates—television employees; no change—radio employees	*n.a.*	Result of contract expiration Contract term—2 yrs.
Textile Mill Products				
Dauphin and Tulip Philadelphia, Pa. *Textile Workers, AFL-CIO*	225 WE 1-6-57	$.10 per hr.—hourly workers; $.05 per hr. eff. 7-7-57—pieceworkers	3 days' funeral leave pay	Result of contract expiration Contract term—14 mos.
Transportation				
Chicago and North Western Railway Company Interstate *Railway and Steamship Clerks, Machinists, Boilermakers, IBEW, Railway Carmen, Sheet Metal Workers, Firemen and Oilers, Maintenance of Way Employees, Hotel and Restaurant Employees, Transport Service Employees, Railroad Yardmasters—all AFL-CIO; Railway Supervisors, ind.*	24,000 WE & S 3-8-56 (signed 12-27-56)	None	SUB plan	Contract term—3 yrs.

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
CANADIAN ADJUSTMENTS				
Chemicals and Allied Products				
Polymer Corporation Limited Sarnia, Ont. *Oil, Chemical and Atomic Workers, CLC*	1,580 WE 2-27-57	12%, add'l 4% 8-27-57, add'l 3% 2-27-58. Add'l settlement pay: $160 to all employed by company 10-7-56 through 2-27-57; proportionately less to employees joining company after 10-7-56	(1) 2 times pay (instead of 1.5 times) for day employees for work on first scheduled day off (2) 1.5 times pay (instead of straight time) for regular hours worked on hol. (3) 3 wks.' vacation after 15 yrs. 1957, after 13 yrs., 1958 (4) Bonus for "dirty work" increased (5) Company policy on make-up pay for jury or witness duty incorporated in agreement (6) Wkly. indemnity extended to 26 wks. from 13 (7) $1,000 paid-up life ins. for pensioned employees	Result of contract expiration Contract expires 7-7-58
Construction				
Corporation of Plumbing and Heating Contractors of the Province of Quebec Montreal and district, Que. *Plumbers and Pipe Fitters, CLC*	3,500-4,000 WE 4-1-57 (signed 2-27-57)	$.20 per hr. over 2-yr. period	(1) Vacation pay increased to 4% from 2% (2) 5 hols. dropped; 7 listed hols. and Sundays to be paid at double time	Result of contract expiration Contract term—2 yrs.
Machinery (except Electrical)				
Cockshutt Farm Equipment Ltd. Brantford, Ont. *UAW, CLC*	1,030 WE 2-7-57	$.06 per hr., add'l $.055 per hr. 1958	Payment of Blue Cross and P.S.I. for pensioners	Result of contract expiration Contract term—2 yrs.
Mining				
Canadian Salt Company Ltd. Lindberg, Alta. *Chemical Workers, Operating Engineers—both CLC*	40 WE 1-1-57	$.081 per hr.	Company paid hospital and medical benefits	Result of contract expiration Contract term—1 yr.
Granduc Mines Limited Vancouver, B. C. *Mine, Mill and Smelter Workers, ind.*	58 WE 2-1-57	4%	2.5 times pay for work on statutory hols.	First contract. Contract term—1 yr.
Reeves MacDonald Mines Ltd. Remac, B. C. *Mine, Mill and Smelter Workers, ind.—WE* *No union—S*	112 WE 10-16-56 (signed 2-4-57) *n.a.* S 1-1-57	$.118 per hr., add'l unspecified increase 4-16-57 —WE 9% av.—S	(1) 1.5 times pay for hrs. over 40 to employees on 42 or 44-hr. wk. (2) Company assumes full cost of pension plan (3) $.02 per hr. add'l night shift premium (4) Improved group life, sickness and accident ins. (All fringe benefits WE only)	Result of contract expiration Contract term—2 yrs.—WE Tandem adj.—S
Municipal Government				
City of Ottawa Ottawa, Ont. *Ottawa Fire Fighters Association, CLC*	320 S 1-1-56	5%	None	Result of contract expiration Contract term—1 yr.

Company and Union(s)	Approximate No. and Type of Employees Affected;* Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Paper and Allied Products				
Lily Cups Limited Scarboro, Ont. *Printing Specialties and Paper Products Union, CLC*	153 WE 12-1-56 (signed 1-6-57)	$.10 per hr., add'l $.05 per hr. 12-1-57	(1) Hospital daily benefits increased to $10 from $8 (2) Max. incidental expenses increased to $100 from $80 (3) Max. period of disability coverage increased to 70 days from 31 (4) 40-hr. wk. for production employees; 45-hr. wk. for mechanical and warehouse employees and engineers (5) 3 days' pd. funeral leave	Result of contract expiration Contract term—2 yrs.
Primary Metal Products				
Light Alloys Ltd. Haley, Ont. *Steelworkers, CLC*	100 WE 1-26-57	4%, add'l 3% 1958	1 add'l pd. hol.	Result of contract expiration Contract term—1 yr.
Professional, Scientific and Controlling Instruments				
Neptune Meters Ltd. Long Branch, Ont. *Steelworkers, CLC*	175 WE 2-4-57	$.03 per hr.	*n.a.*	Result of wage reopening Contract expires 1-31-58
Retail Trade				
Canada Safeway Limited Calgary, Alta. *Retail Clerks, CLC*	275 WE 2-4-57	Workweek reduced to 44 hrs. from 42 with no change in take-home pay		First contract. Contract term—2 yrs.
Textile Mill Products				
Cosmos Imperial Mills Ltd. Yarmouth, N. S. *Textile Workers (UTWA), CLC*	300 WE 2-4-57	3.5%, add'l $.06 per hr. to machinists and other skilled employees. (Over-all av. estimated to be $.045 per hr.)	None	Result of wage reopening proposed by company. Contract expires 2-3-59. Wage reopening anytime with mutual consent
Transportation				
Canadian Pacific Airlines, Limited Dominion-wide *Machinists, CLC*	700 WE 1-28-57 (signed 2-18-57)	5% retroactive to 2-1-56	Vancouver, Edmonton and Winnipeg: 2 times pay for over 12 hrs. on a normal workday, 10 hrs. on a statutory hol.	Result of contract expiration Contract term—1 yr.
Transportation Equipment				
International Harvester Company of Canada, Limited Chatham, Ont. *UAW, CLC*	210 S 2-1-57	$3 per wk., add'l $2.50 per wk. 1958 and 1959	(1) 2.5 times pay (formerly 2 times) for work on statutory hols. (2) 3rd shift premium increased to $.08 per hr. from $.07 (3) Vacations for employees with 10 but less than 15 yrs.' service increased to 2 wks. 2 days from 2 wks.	Result of contract expiration Contract term—3 yrs.

*WE, wage earner; S, salaried personnel; *n.a.*, not available.
**Fringe benefits include all benefits received by workers at a cost to employers.

(Continued from page 147)

eral increase of 12%. The settlement-pay clause provides that $160 will be paid to all employees of the company as of February 27, 1957, who were also in the company's employ on October 7, 1956—the effective date of the contract. Employees who joined the company after October 7 will receive proportionately less.

The 12% wage increase results in an 18 cents per hour increment to "regular labor" and 27 cents an hour to other specified employees. A deferred increase of 4% will be given six months after the initial increase, and an additional 3% is deferred to February, 1958. Improvements also were granted in overtime rates, holidays, and vacations.

N. Beatrice Worthy
Division of Personnel Administration

Studies in Personnel Policy

No. 159—Trends in Company Group Insurance Programs
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No. 123—Letters to Nonsupervisory Employees
No. 122—Evaluating Managerial Positions

In the May Business Record

Merger Cases—Since the new merger law went into effect in 1952, twenty-nine cases have been initiated by the Federal Trade Commission and the Department of Justice. Information on industry, product, geographic market, size of merging companies, their share of the market, and the alleged competitive effects of the mergers is presented. Three double pages of "talking table" summarize the actions brought so far.

Modernizing Office Procedures—What is happening to 177 cooperating companies in their efforts to modernize their office procedures is related in this month's survey report. Aspects discussed include how big a company has to be to office-mechanize; how expensive the process is; how much less expensive (or less cheap) are operations; and on the organization side, who directs the office force, and who directs the director.

Europe's Common Market Treaty—Can nations, like companies, make a go of merging their economies to better compete with large areas already in existence—some strong, some only beginning to make a stir—such as the U.S.A., U.S.S.R., China, India, or the British Commonwealth? What are the chances of the European Common Market developing into something that will bring a higher average living standard for the six countries involved?

Instalment Buying—"Forecasters have continuously erred on the low side," writes this magazine's business analyst, "in their forecasts of expansion for postwar years principally because they have underestimated the willingness of consumers to enlarge their instalment debt burden. . . ." For the import of the quotation to today's business, read "Autos and the Trend."

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